

Elon Musk and SpaceX Face Federal Reviews After Violations of Security Reporting Rules

Elon Musk and his rocket company, SpaceX, have repeatedly failed to comply with federal reporting protocols aimed at protecting state secrets, including by not providing some details of his meetings with foreign leaders, according to people with knowledge of the company and internal documents.

Concerns about the reporting practices — and particularly about Mr. Musk, who is SpaceX's chief executive — have triggered at least three federal reviews, eight people with knowledge of the efforts said. The Defense Department's Office of Inspector General opened a review into the matter this year, and the Air Force and the Pentagon's Office of the Under Secretary of Defense for [Intelligence and Security](#) separately initiated reviews last month.

The Air Force also recently denied Mr. Musk a high-level security access, citing potential security risks associated with the billionaire. Several allied nations, including Israel, have also expressed concerns that he could share sensitive data with others, according to defense officials.

Internally, SpaceX has a team that is expected to ensure compliance with the government's national security rules. Some of those employees have complained to the Defense Department's Office of Inspector General and other agencies about the lax reporting, which goes back to at least 2021, four people with knowledge of the company said. SpaceX [was awarded at least \\$10 billion](#) in federal contracts with the Pentagon and NASA from 2019 to 2023, making it a major contractor.

Mr. Musk is facing scrutiny as he wields increasing power around the world through his myriad businesses — particularly SpaceX but also the social media company X and the electric carmaker Tesla. While the 53-year-old has long [blown past norms and conventions](#) that do not suit him or his companies, the stakes are arguably higher when it comes to national security matters.

For years, SpaceX workers responsible for upholding disclosure rules grudgingly allowed Mr. Musk to disregard many of the reporting procedures, as they did not want to lose their jobs, the people with knowledge of the company said. But the issue has reached a tipping point as Mr. Musk's influence is set to escalate. An [ardent supporter](#) of President-elect Donald J. Trump, he was named last month to help lead an effort [to winnow the federal bureaucracy](#) and has [joined calls](#) that Mr. Trump has held with foreign leaders.

Some SpaceX workers have become concerned about Mr. Musk's ability to handle sensitive information, especially as he posts openly on X about everything from video

games to diplomatic meetings, the people said. The fears have been compounded because Mr. Musk has a top secret security clearance at SpaceX, which makes him privy to classified material such as advanced U.S. military technology.

Under security clearance rules, Mr. Musk must report information about his private life and foreign travel, among other details, to the Defense Department as part of a process known as “[continuous vetting](#).” That allows the government to evaluate whether someone with a high-level security clearance should continue handling sensitive information.

But since at least 2021, Mr. Musk and SpaceX have not adhered to those reporting requirements, the people with knowledge of SpaceX said. He and his team have not provided some details of his travel — such as his full itineraries — and some of his meetings with foreign leaders, they said. He has also not reported his use of drugs, which is required even with a prescription, they said.

It is unclear why Mr. Musk did not report some of this information to the government, especially since he sometimes posts on X about matters that he does not relay to the Defense Department. It is also unclear if Mr. Musk instructed SpaceX to not report the information. No federal agency has accused him of disclosing classified material.

Still, “to have someone who has major contracts with the government who would be in a position to pass along — whether deliberately or inadvertently — secrets is concerning,” said Senator Jeanne Shaheen, Democrat of New Hampshire and a member of the Senate Committees on Armed Services and Foreign Relations.

Last month, Ms. Shaheen asked the Air Force and the Defense Department’s Office of Inspector General to investigate whether Mr. Musk was having inappropriate communications with foreign leaders, including President Vladimir V. Putin of Russia.

The Air Force and the Pentagon’s Office of the Under Secretary of Defense for Intelligence and Security initiated their reviews in response to questions from Ms. Shaheen and another lawmaker. On Friday, a day after The New York Times asked the secretary of the Air Force, Frank Kendall, about the matter, he responded to Ms. Shaheen, saying federal privacy laws prohibited him from discussing Mr. Musk’s case.

“The Department of the Air Force takes security matters very seriously, and I share your concerns,” [he said](#).

Whether the federal reviews will affect Mr. Musk or SpaceX is unclear. Some of the SpaceX employees who complained about the privately held company’s reporting practices have been fired or forced out, the people with knowledge of the rocket maker said. Two defense officials said senior Pentagon leaders had given directives to avoid

discussing the matter so they would not become targets of Mr. Musk, who has [promised to cut government workers and budgets](#) in his new role in Washington.

As a matter of constitutional law, Mr. Trump could grant a security clearance to anyone after his inauguration, even if others in the government object.

Mr. Musk, a lawyer for Mr. Musk and SpaceX did not return requests for comment.

A Defense Department spokesman declined to comment. A spokesman for the department's Office of Inspector General, which is a quasi-independent watchdog arm, said the office could "neither confirm nor deny the existence of an ongoing investigation."

Mr. Kendall declined to comment on Mr. Musk, but said the Pentagon was serious about security clearance rules. "We depend upon enforceable and executable contracts, and we enforce them," he said in an interview at the Pentagon.

Top Secret

Mr. Musk's security clearance has been fraught for years, three people with knowledge of the matter said. Until about 2018, he held a midlevel secret clearance at SpaceX, they said. That year, the company applied for a higher level of clearance known as "top secret" on his behalf.

Many SpaceX employees hold some level of security clearance since the company is a defense contractor that puts NASA astronauts into orbit and provides its [Starlink satellite internet service](#) to the military. It is also helping the federal government [build](#) a new constellation of spy satellites.

Security clearances are critical for the government to protect intelligence and state secrets. Officials examine an applicant's financial background and personal relationships, interviews the applicant's friends and family and collects documents outlining the person's history.

The Defense Counterintelligence and Security Agency, which is in charge of vetting individuals seeking access to classified information, took more than two years — an atypical length that was more than double the average time — to approve Mr. Musk's top secret security clearance, three people with knowledge of the matter said. Top secret is the highest clearance through the security agency, but some government departments offer separate levels of access to classified materials that can be higher. During that period, Mr. Musk was filmed on Joe Rogan's podcast smoking pot, which remains illegal at the federal level and is prohibited under security clearance rules. His [business interests in China](#), where Tesla has a factory, were also a concern, the people familiar with the matter said. Mr. Musk ultimately received the clearance.

A spokesman for the Defense Counterintelligence and Security Agency said he could not address any questions related to Mr. Musk.

Those holding a security clearance must self-report certain details of their lives during the continuous vetting process. The Air Force, as part of its contracts with SpaceX that include classified work, pays the company to hire a special staff to ensure these requirements are honored.

SpaceX's team that reports such information for its employees, including Mr. Musk, was until recently overseen by Terrence O'Shaughnessy, a retired four-star Air Force general and a top lieutenant to the billionaire, four people with knowledge of the team said. Mr. Musk has [recommended General O'Shaughnessy](#) for a position in the new Trump administration.

Mr. Musk was required to learn the rules related to security clearances to receive one, and was given annual tests reminding him of the rules, three people said.

Yet at least as of 2021, Mr. Musk and his team began not providing some details of his meetings and travel plans, five people said. His private [security](#) employees who travel with him report some of his activities to SpaceX, which in turn reports the information to the government. But often, not all the details of each trip are divulged — such as what was discussed in meetings — while some appointments are not mentioned at all, the people said.

At the same time, Mr. Musk posts about his activities on X and has been heavily covered by the media. When SpaceX employees asked whether personal details that Mr. Musk had written on X and the media coverage should be officially reported, senior managers sometimes instructed them not to do it, often without giving a reason, the people said. Government agencies “want to ensure the people who have clearances don't violate rules and regulations,” said Andrew Bakaj, a former Central Intelligence Agency official and lawyer who works on security clearances. “If you don't self-report, the question becomes: ‘Why didn't you? And what are you trying to hide?’”

‘A Wild Card’

Other governments have also grown increasingly wary of Mr. Musk's ability to handle classified information. Nine countries, including in Europe and the Middle East, have raised security questions about him in meetings with U.S. defense officers in the past three years, two defense officials said.

In meetings about Starlink between Israeli military intelligence officers and U.S. defense officials in early 2023, the Israeli Ministry of Defense called Mr. Musk “a wild card,” two people with knowledge of the conversations said. Israeli officials were concerned that he

could pass sensitive data about Israel to others, though they eventually allowed Starlink into the country this year.

Israel's Ministry of Defense did not respond to a request for comment.

In August 2023, Mr. Musk [wrote on X](#) that he took ketamine, an anesthetic with psychedelic properties, when his "brain chemistry sometimes goes super negative." He has said he has a prescription for the drug.

Any drug use is supposed to be disclosed to the Defense Department, but SpaceX and Mr. Musk did not report it at the time, three people with knowledge of the company said. Around that time, the Air Force denied Mr. Musk a high-level security access — the so-called [Special Access Program](#) status, which is reserved for extremely sensitive classified programs — four people with knowledge of the rejection said. Without that access, federal law would prohibit Mr. Musk from participating in certain SpaceX meetings where classified Air Force programs were discussed.

One Pentagon official said Mr. Musk had been rejected because of potential security risks such as his extensive contacts with foreign officials, his foreign investments and a "lack of explanation" related to some of the foreign contacts.

SpaceX executives assured the Defense Department that they kept Mr. Musk out of the most sensitive classified discussions, the official said. Yet Pentagon officials remain concerned that Mr. Musk has joined some meetings where such matters were discussed, even without the special clearance, the official said.

Mr. Kendall, the Air Force secretary, said a Special Access Program denial did not necessarily mean the individual had been deemed a security risk.

Such programs are "controlled on a strict need-to-know basis," he said. "So the fact that somebody might or might not have gotten access to a program doesn't really imply anything about that person."

Representative Jim Himes of Connecticut, the senior Democrat on the House Intelligence Committee, said Mr. Musk, like anyone with a security clearance, must honor the rules.

"He doesn't get a bye just because he's [the world's richest man](#)," Mr. Himes said.

But Representative Doug Lamborn, a Republican from Colorado on the House Armed Services Committee, said Mr. Musk was "obviously a patriotic American and I don't think would ever knowingly give aid or comfort to an adversary of the United States."

Danielle Brian, the executive director of the Project on Government Oversight, a nonprofit that examines Pentagon contracts, said the debate over Mr. Musk's compliance with security rules was the first clear conflict of interest that had emerged over his roles as a defense contractor and Trump adviser.

“He is creating a very threatening environment for government institutions that we rely on to reveal wrongdoing when it happens,” she said. “It is going to break our system of accountability and checks and balances.”

Inside SpaceX

At SpaceX, some employees have been concerned for years that the company lets top executives like Mr. Musk avoid reporting some information to the government while rank-and-file workers must strictly follow the rules.

That gap worsened this year when SpaceX hired Daniel Collins, a former Defense Department official, to help run the team that works on continuous vetting, the people with knowledge of the company said. Mr. Collins, who reported to General O’Shaughnessy, has allowed some executives who did not have the proper clearance into classified meetings, they said. He also discouraged reporting violations of security clearances, including by Mr. Musk, they said.

General O’Shaughnessy referred questions to SpaceX. Mr. Collins did not return requests for comment.

Some SpaceX workers said they feared speaking up since the company had [fired employees who raised concerns](#) to the National Labor Relations Board about Mr. Musk. But on Nov. 2, Cody Miller, an Army veteran who worked on security clearances at SpaceX, emailed senior executives and accused them of picking and choosing which government rules to follow, according to a copy of the message viewed by The Times. SpaceX has a “let’s push it till we are caught mentality,” Mr. Miller wrote, adding that top executives followed the rules only “when convenient for senior leaders.”

That same day, SpaceX’s human resources department called Mr. Miller and pushed him to leave, three people with knowledge of the company said. Mr. Miller agreed to resign.

The post [Elon Musk and SpaceX Face Federal Reviews After Violations of Security Reporting Rules](#) appeared first on [New York Times](#).