

Treasury watchdog begins audit of Musk access to the US government's payment system

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WASHINGTON (AP) — The Treasury Department's Office of Inspector General on Friday said it was launching an audit of the security controls for the federal government's payment system, as Democratic lawmakers raised red flags about the access provided to Trump aide Elon Musk's Department of Government Efficiency team.

The audit will also review the past two years of the system's transactions as it relates to Musk's assertion of "alleged fraudulent payments," according to a letter from Loren J. Scieurba, Treasury's deputy inspector general, that was obtained by The Associated Press.

The audit marks part of the broader effort led by Democratic lawmakers and federal employee unions to provide transparency and accountability about DOGE's activities under President Donald Trump's Republican administration. The Musk team has pushed for access to the government's computer systems and sought to remove tens of thousands of federal workers.

“We expect to begin our fieldwork immediately,” Sciarba wrote. “Given the breadth of this effort, the audit will likely not be completed until August; however, we recognize the danger that improper access or inadequate controls can pose to the integrity of sensitive payment systems. As such, if critical issues come to light before that time, we will issue interim updates and reports.”

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Treasury's inspector general began the audit before Democratic lawmakers asked for it. A. J. Altemus, acting counsel to the inspector general, said "our work is independently initiated" and standards dictate that the audit "must be non-partisan and objective. These standards remain unchanged."

Tech billionaire Musk, who continues to control Tesla, X and SpaceX among other companies, claims to be finding waste, fraud and abuse while providing savings to taxpayers. Many of his claims are so far unsubstantiated. But there is a risk that his team's aggressive efforts could lead to the failure of government computer systems and enable Musk and his partners to profit off private information maintained by the government.

The audit would overlap with increased pressure that the Trump administration is placing on inspectors general, presidential appointees who are supposed to serve as an independent check against mismanagement and abuse of government power. In January, the administration fired several independent inspectors general at government agencies, a move that some members of Congress said violated federal oversight laws. The firings prompted a lawsuit filed on Wednesday in federal court in Washington that seeks to return the inspectors general to their jobs.

Democratic Sens. Elizabeth Warren of Massachusetts and Ron Wyden of Oregon led the push in the Senate for the inspector general office's inquiry at the Treasury.

On Wednesday, Warren, Wyden and Sen. Jack Reed, D-Rhode Island, sent a letter to Treasury Secretary Scott Bessent noting the inconsistencies in the accounts provided by his department about DOGE.

“Your lack of candor about these events is deeply troubling given the threats to the economy and the public from DOGE’s meddling, and you need to provide a clear, complete, and public accounting of who accessed the systems, what they were doing, and why they were doing it,” the Democratic lawmakers wrote in their letter.

Democrats on the House Committee on Oversight and Government Reform also called on inspectors general to investigate DOGE and welcomed the Treasury audit.

“Elon Musk and DOGE can’t be allowed to creep on Americans’ most sensitive data as they operate in the shadows,” said Rep. Gerry Connolly, D-Va., the committee’s ranking member. “This is an important step, and inspectors general must be free to pursue their investigations without interference.”

The Treasury Department provided conflicting information about DOGE's access to the payment system. Initially, it claimed the access was read only, only to then acknowledge that a DOGE team member briefly had the ability to edit code, and then to say in an employee-sworn statement that the ability to edit was granted by accident.

The 25-year-old employee granted the access, Marko Elez, resigned this month after racist posts were discovered on one of his social media accounts, only for Musk to call for his rehiring with the backing of Trump and Vice President JD Vance.

Earlier this week, the Treasury declined to brief a pair of the highest-ranking lawmakers on the Senate Finance Committee, including Wyden, on the controversy related to DOGE's use of Treasury payment systems, citing ongoing litigation.

Advocacy groups and labor unions have filed lawsuits over DOGE's potentially unauthorized access to sensitive Treasury payment systems. Five former treasury secretaries have sounded the alarm on the risks associated with Musk's DOGE access.

A federal judge in Manhattan on Friday heard arguments in a lawsuit brought by Democratic state attorneys general seeking to prevent DOGE from accessing Treasury Department data.

Judge Jeannette Vargas said she'd issue a decision at a later date and a temporary restraining order imposed by a prior judge would remain in place until then.

Lawyers for the federal government argued that Treasury and DOGE staffers were acting appropriately.

“There was nothing unlawful about Treasury carrying out the priorities of a new administration using Treasury employees,” said Jeffrey Oestericher, of the U.S. Attorney’s Office for the Southern District of New York. “They were perfectly within their lawful duties.”

But Vargas at times pushed back at the federal government’s arguments that adequate protections were in place, noting that the plans were set in motion only in a matter of weeks. “Why so rushed?” she asked.

Lawyers for the Democratic attorneys general argued there was no effort to remove or redact private individual information and no evidence that DOGE staff were given proper training on how to handle such sensitive data.

“States have had their bank account information accessed by people with no reason to access it,” said Andrew Amer of the New York attorney general’s office.