The Decline and Fall of Elon Musk

Michael Scherer

"Fuck you! Fuck you! Fuck you!"

Treasury Secretary Scott Bessent was shouting at Elon Musk in the halls of the West Wing last month, loud enough for Donald Trump to hear and in a language that he could certainly understand. Bessent and Musk were fighting over which of them should choose the next IRS leader—and, implicitly, over Musk's bureaucracy-be-damned crusade. Without securing the Treasury chief's sign-off, Musk had pushed through his own pick for the job. Bessent was, quite obviously, not having it.

The fight had started outside the Oval Office; it continued past the Roosevelt Room and toward the chief of staff's office, and then barreled around the corner to the national security adviser's warren. Musk accused Bessent of having run two failed hedge funds. "I can't hear you," he told Bessent as they argued, their faces just inches apart. "Say it louder."

Musk came to Washington all Cybertrucks and chain saws, ready to destroy the bureaucracy, fire donothing federal workers, and, he bragged, save taxpayers \$2 trillion in the process. He was a Tech Support—T-shirt-wearing disruptor who promised to rewire how the government operates and to defeat the "woke mind virus," all under the auspices of the newly created Department of Government Efficiency. For weeks, he and his merry band of DOGE bros gleefully jumped from agency to agency, terrorizing bureaucrats, demanding access to sensitive data, and leaving snack wrappers on employees desks. But as Musk winds down his official time in Washington, he has found himself isolated within the upper reaches of the Trump administration, having failed to build necessary alliances and irritating many of the department and agency heads he was ostensibly there to help. His team failed to find anything close to the 13-figure savings he'd promised. Court challenges clipped other projects. Cabinet secretaries blocked DOGE cuts they said reduced crucial services. All the while, Musk's net worth fell, his companies tanked in value, and he became an object of frequent gossip and ridicule.

Four months after Musk's swashbuckling arrival, he is effectively moving on, shifting his attention back to his jobs as the leader of Tesla, SpaceX, and X, among his other companies. In a call last month with Wall Street analysts, Musk said he was planning to spend "a day or two per week" focusing on DOGE issues—similar to how he manages each of his various companies. The next week, he seemed to suggest that he'd be slimming down his government portfolio even more, telling reporters that he expected to be in Washington "every other week." Yesterday, he told the Qatar Economic Forum in a video interview that he no longer sees a reason to spend money on politics, though that could change in the future. "I think I've done enough," he said.

[Listen: Elon Musk's luck runs out]

He remains close with Trump, who still shows genuine affection for his billionaire benefactor, according to advisers and allies. But Musk's decision to focus elsewhere has been greeted as a relief by many federal leaders, who have been busily undoing many of his cuts in their departments or making

DOGE-style changes on their own terms. Cabinet leaders—who did not appreciate being treated like staff by the man boasting about feeding their fiefdom into a "wood chipper"—have widely ignored some of his efforts, such as his February <u>demand</u> that all federal employees send weekly emails to their supervisors laying out their accomplishments in bullet points.

"How many people were fired because they didn't send in their three things a week or whatever the fuck it was?" one Trump adviser, who requested anonymity to speak frankly, told us. "I think that everyone is ready to move on from this part of the administration."

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The Musk-Bessent shouting match was immediate fodder—for gossip, of course, but also for a kind of Rorschach test for MAGA-world loyalties. Several members of the administration heard it themselves. Many, many more learned about it secondhand, or even thirdhand. (Some of the details were first reported by *The New York Times* and *Axios*.)

A mild-mannered billionaire stood up to "a man-child"! Musk rugby-shouldered Bessent! There was definitely nothing physical! There was caterwauling! Musk should have been arrested! Musk did nothing wrong! It wasn't even a big deal!

After the shouting ended, Musk's pick for IRS commissioner found himself replaced with Bessent's more seasoned choice after just three days on the job. Bessent had won. The power struggle has become a symbol of Musk's inability to build support for his approach.

This story is based on interviews with 14 White House advisers, outside allies, and confidants, who all requested anonymity to describe private conversations. The White House and the Treasury Department

declined to comment on the specifics of the fight, and a representative for Musk did not respond to requests for comment.

A couple of weeks after his argument with Bessent, Musk gathered reporters in the Roosevelt Room to defend himself, admitting that his latest goal of \$1 trillion in taxpayer spending—already down from his initial \$2 trillion target—had proved "really, really difficult."

"We are making as much progress as we can—there's a lot of inertia in the government," he told the <u>assembled press</u>. "So it's, like, it's not easy. This is—this is a way to make a lot of enemies and not that many friends."

At the core of Musk's challenges was his unfamiliarity with reforming an organization that, unlike his own companies, he does not fully control. Rather than taking the time to navigate and understand the quirks and nuances of the federal government—yes, an often lumbering and inefficient institution—Musk instead told his team to move fast: It would be better to backtrack later, if necessary, than to proceed with caution. (One administration official told us that Musk's view was that if he hadn't fired so many people that he needed to rehire some, it would mean that he hadn't cut enough.) As he sought to solve spending and digital-infrastructure problems, he often created new issues for Trump, the president's top advisers, and Capitol Hill allies.

"He came with a playbook that comes from outside government, and there were mixed returns on that," Matt Calkins, the CEO of Appian, a Virginia-based software company that automates business processes and has worked with the federal government for more than two decades, told us. "He comes in with his idealism and his Silicon Valley playbook, and a few interesting things happened. Does the 'move fast and break things' model work in Washington? Not really."

Calkins told us that he very much supports Musk's stated goals: government efficiency and modernization, and harnessing technology to improve the lives of citizens. But, he explained, Washington will never work the way Silicon Valley does. Its capacity for disruption is lower; although people may enjoy summoning Uber rides or ordering food via their phone, they do not rely on these innovations the way many do say, public education or Medicaid. "Government is a foundation, versus a technology company that usually provides a bonus—something we enjoy consuming, but not something we count on," Calkins said.

Musk's operation claims to have found \$170 billion in savings by cutting grants, contracts, leases, and other spending, though the numbers have frequently been revised down owing to errors and program reinstatements. The federal workforce—roughly 4.5 million employees, including military personnel—is slated to be reduced by tens of thousands, though many of those cuts are now in limbo because of recent court orders. White House aides privately admit that a high-profile claim of fraud that Musk uncovered—that some people in Social Security databases are listed as unrealistically old—is a data problem but not evidence of actual fraud: The government had already blocked payments to those people before Musk pointed them out. (Nevertheless, Trump repeated the claim in his first official address to Congress, in March, and Musk caused a mini political crisis for the administration when he appeared on Joe Rogan's podcast and declared Social Security—an entitlement that Trump has promised not to touch—"the biggest Ponzi scheme of all time.")

Most important, Trump has made clear that Musk did not have the freedom to reshape the government as he would one of his companies. Weeks after Musk appeared onstage with a chain saw to illustrate his plans for the federal government, Trump rebuked the approach on social media: "We say the 'scalpel' rather than the 'hatchet,'" Trump wrote. Musk's legal opponents have taken to celebrating his departure as a defeat for his larger ambitions. They point to public polling that shows that https://linear.com/his-public_has-fallen-markedly-since-the-start of-the-year, as well as to the backlash he faced when he went to Wisconsin to campaign for a Republican-backed state-supreme-court candidate who ended up losing by double digits.

"We kicked him out of town," Rushab Sanghvi, the general counsel for the American Federation of Government Employees, told us. "If he had stayed in the shadows and done his stuff, who knows how bad it would have been? But no one likes the guy."

At a Cabinet meeting at the end of April, possibly Musk's last, the Tesla and SpaceX leader reduced himself to a punch line, wearing two caps—a red Gulf of America one perched atop his signature black DOGE hat. He joked about all the jobs that he was juggling. "As they say, I wear a lot of hats. And as you can see, it's true. Even my hat has a hat," he said, prompting genuine laughter.

The uprising against Musk—in hindsight, the abrupt beginning of the slow end—had begun in the same room a month earlier, at an impromptu meeting. Cabinet secretaries, who had not yet been confirmed for office when Musk began his work, had been expressing frustration to Trump and to White House Chief of Staff Susie Wiles, among others, about Musk's meddling. Musk, meanwhile, had been griping about what he viewed as the slow pace of hiring.

In fact, the Trump administration had been staffing up remarkably quickly by federal standards for a new administration. But, as one White House adviser explained to us, "if you're Elon, in the business of firing people, it's easy to see hiring through a different lens."

Sick of presiding over the competing complaints, Trump finally declared: *Bring them all in here, and we'll have at it.* The next day, the Cabinet secretaries did just that. Details of the meeting—including Musk's heated back-and-forth with Secretary of State Marco Rubio, as well as with Doug Collins, the secretary of veterans affairs, and Sean Duffy, the transportation secretary—almost immediately leaked into news reports. Musk upbraided Rubio during the meeting for not sufficiently reducing his staff, and Rubio—already upset that Musk had essentially dissolved USAID, one of the agencies under his purview—vigorously fought back. ("That was one of the turning points for Trump and Marco, where Trump realized Marco had a little spine," one Trump ally told us.)

Several people told us that though Musk understood that he was walking into an ambush, he was unaware of the extent of the coming pile-on. After the "whining about DOGE" and Musk generally "taking it," someone familiar with the meeting told us, Musk defended his efforts. At one point, he declared that his real problem was not with firing people or reducing the size of government but with quickly hiring new, better people. (Early on, Musk had been irritated that he couldn't instantaneously hire DOGE engineers, who found themselves subjected to the same MAGA loyalty tests as everyone else, and he was unable to muscle onto the government payroll a Turkish-born venture capitalist with a green card, because U.S. law generally prohibits noncitizens from working for the federal government.)

Sergio Gor, the director of the White House Presidential Personnel Office, defended the pace of hiring, which he oversees. The relationship between Musk and Gor had already been tense, several advisers told us; one adviser explained that the two men were "constantly sniping at each other." Sometime after the Cabinet meeting, Musk went to the president and, referring to Gor, said, "Please tell me I never have to ask him for anything again," the adviser told us.

With Musk's DOGE team largely in place, he and Gor have had less reason in recent weeks to interact. Others told us that the two men have since buried any disagreements and get along fine.

But the clash was yet another example of Musk chafing against the strictures of government processes, something Gor's office is designed to uphold. "There's not a lot of reverence for the system with Elon," the Trump adviser told us. "It's not a perfect system, but it is nonetheless our system."

Musk's influence on the early months of the Trump administration is, of course, undeniable. He regularly amplified administration messaging—and occasionally undercut it—on X, the social-media platform he owns. And he focused attention on an issue that many voters agree should be a priority, at least in theory: eliminating waste, fraud, and abuse in Washington, and making the government more efficient and technologically nimble. He also cut large swaths of the federal workforce, albeit in such a "haphazard" way, as one adviser put it to us, that the actual results have proved mixed. Some talented and experienced career bureaucrats—the sorts of officials Trump and Musk ostensibly wanted to retain —decamped to the private sector or took early retirement, and the general chaos led to some fired employees being hired back. At the Federal Aviation Administration, Musk's interference and cuts have caused mayhem, especially among already overtaxed air-traffic controllers. Musk also made himself the public face of the Trump administration's decision to shut down USAID, a decision that the Microsoft co-founder Bill Gates described as "the world's richest man killing the world's poorest children." (Musk, who'd initially earned the fraught designation of "co-president" and seemed destined for a rocket-fuel-caliber blowup with the actual president, also lasted much longer in government than many had surmised he would—and is exiting with something akin to grace, at least by Trumpian standards.)

Ayushi Roy, a former technologist at the General Services Administration who now teaches digital government at Harvard Kennedy School, told us that Musk has achieved at least some of his goals: cutting the federal workforce and traumatizing the employees who remain. But, she said, he has largely failed to build anything that's made government more efficient.

"I am waiting for them to actually deliver something. Right now they have just been deleting things. They haven't added any value," she told us. "If it is just us hatcheting things instead of improving or even replacing them, the goal, to me, is not actually about improving efficiency."

Calkins, the software CEO, cautioned us to not undersell what Musk has done. Given the "resolute structure" of government bureaucracy, he said, it's impressive that Musk even "got a few big nicks."

In Calkins's view, Musk might have been more successful had he been given more time—maybe a year and a half, he estimated. He told us that he thinks more cuts to government are necessary, but that Musk's approach was insufficiently judicious.

"In retrospect," Calkins concluded, "it wasn't nearly as much as we needed, and we probably didn't need the chain saw. We needed the chisel."

Musk struggled to adjust to life outside his companies, where his whims reigned supreme and he rarely needed to build consensus. "He miscalculated his ability to act just completely autonomously," one outside Trump adviser told us. "He had some missteps in all of these agencies, which would have been fine because everyone acknowledges that when you're moving fast and breaking things, not everything is going to go right. But it's different when you do that and you don't even have the buy-in of the agency you're setting on fire."

Musk also found himself clashing with other Trump advisers on policy questions that could take a bite out of his personal fortune. The billionaire argued against the administration's tariff bonanza—at one point, he urged "a zero-tariff situation" between the United States and Europe—and publicly attacked Trump's top trade adviser, Peter Navarro, calling him "dumber than a sack of bricks." In late March, according to a *New York Times* report, Musk was preparing to receive a secret briefing from the Pentagon on the country's planning for a potential war with China. After the *Times* story published, Trump posted on social media that Musk's trip to the Pentagon would not include any China briefing. But the report prompted a public outcry, including over Musk's many potential conflicts of interest.

[Read: The actual math behind DOGE's cuts]

"You could feel it, everything changed, the fever had been broken," the longtime Trump ally and Musk foe Steve Bannon told us in a text message about the Pentagon uproar. In Bannon's view, government officials had opted to leak to the *Times* rather than directly confront Musk or bring their concerns to the president—a troubling sign, he told us, of Musk's outsize power.

Now Trump-administration officials wonder just what will happen to DOGE once Musk pivots elsewhere. In some cases, DOGE employees have already become more formally enmeshed in the administration, taking on official roles within government agencies. A top Musk aide is now the Interior Department's assistant secretary of policy management and budget, and a DOGE point person to the Department of Energy is now chief of staff. One administration official told us that Musk's much-vaunted—and initially chaotic—reductions in the federal workforce are now coming to fruition across the government, but in a more organized fashion.

Musk's "special government employee" status always meant that he was going to depart the government after 130 days. But for a time, there was West Wing chatter about stretching the limit of a "working day" to allow him to extend his time in the administration. Now even Musk has stopped stoking those expectations. "The mission of DOGE—to cut waste, fraud, and abuse—will surely continue," White House Press Secretary Karoline Leavitt told us in an email. "DOGE employees who onboarded at their respective agencies will continue to work with President Trump's cabinet to make our government more efficient."

Speaking to a group of reporters earlier this month, Musk implied that DOGE is self-sustaining and could carry on without him. "DOGE is a way of life," he told them, "like Buddhism." But when asked how, exactly, DOGE could continue, he was coy. "Is Buddha needed for Buddhism?" he asked.