

ELON MUSK GETS THE BIGGEST CORRUPT KICK-BACK PAYOLA IN HISTORY

• Within the Trump administration's Defense Department, Elon Musk's SpaceX rocketry is being trumpeted as the nifty new way the Pentagon could move military cargo rapidly around the globe.

In the Commerce Department, SpaceX's Starlink satellite internet service will now be fully eligible for the federal government's \$42 billion rural broadband push, after being largely shut out during the Biden era.

At NASA, after repeated nudges by Mr. Musk, the agency is being squeezed to turn its focus to Mars, allowing SpaceX to pursue federal contracts to deliver the first humans to the distant planet.

And at the Federal Aviation Administration and the [White House itself](#), Starlink satellite dishes have recently been installed, to expand federal government internet access.

Mr. Musk, as the architect of a group he called the Department of Government Efficiency, has taken a chain saw to the apparatus of governing, spurring chaos and dread by pushing out some [100,000](#) federal workers and shutting down various agencies,

though the government [has not been consistent](#) in explaining the expanse of his power.

But in selected spots across the government, SpaceX is positioning itself to see billions of dollars in new federal contracts or other support, a dozen current and former federal officials said in interviews with The New York Times.

The boost in federal spending for SpaceX will come in part as a result of actions by President Trump and Mr. Musk's allies and employees who now hold government positions. The company will also benefit from policies under the current Trump administration that prioritize hiring commercial space vendors for everything from communications systems to satellite fabrication, areas in which SpaceX now dominates.

Already, some SpaceX employees, temporarily working at the F.A.A., [were given](#) official permission to take actions that might steer new work to Mr. Musk's company.

The new contracts across government will come in addition to the billions of dollars in new business that SpaceX could rake in by securing permission from the Trump administration to expand its use of federally owned property.

SpaceX has at least four pending [requests](#) with the F.A.A. and the Pentagon to build new rocket launchpads or to launch [more](#) frequently [from](#) federal spaceports in Florida and [California](#). The F.A.A. moved [this month](#) toward approving one of those deals, more than doubling the annual number of SpaceX launches for its Falcon 9 rocket allowed at Cape Canaveral Space Force Station in Florida, to 120.

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SpaceX is the fastest-growing company of Elon Musk's ventures. Haiyun Jiang for The New York Times
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And SpaceX is pushing the F.C.C. for more federal radio [spectrum](#) — its
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Starlink satellite service depends on radio spectrum to send signals
back and forth to Earth, meaning if it gets more it can increase its
profits — a move its cellular provider rivals see as a power grab. The
first of those awards was [approved this month](#), after Mr. Trump

replaced the head of the F.C.C. with a new chairman, Brendan Carr, who has been supportive of Mr. Musk.

The potential new revenue stream for Mr. Musk's company comes after he donated nearly \$300 million to support the 2024 campaign of Mr. Trump as he sought a return to the White House.

Mr. Musk then persuaded President Trump to put him in charge of the cost-cutting effort. From there, as a White House employee and adviser, he can influence policy and eliminate contracts.

“The odds of Elon getting whatever Elon wants are much higher today,” said Blair Levin, a former F.C.C. official turned market analyst. “He is in the White House and Mar-a-Lago. No one ever anticipated that an industry competitor would have access to those kinds of levers of power.”

Executives at SpaceX did not respond to requests for comment.

Karoline Leavitt, the White House press secretary, said in a statement that Mr. Musk, as a so-called special government employee had received briefings on ethics limits including those related to conflicts of interest and would abide by all applicable federal laws.

SpaceX had built itself into one of the nation's largest federal contractors before the start of the second Trump administration, securing \$3.8 billion in commitments for fiscal year 2024 spread over 344 different contracts, according to a tally by The Times of a federal contracting database.

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SpaceX was awarded billions in government contracts last year

The company has already seen a massive jump in federal contracts, largely with the Pentagon and NASA.

A chart showing federal contracts awarded to SpaceX since 2013. In 2013, the government awarded nearly \$600 million in contracts to SpaceX. In 2024, it awarded more than \$3.8 billion in contracts.

Data is for fiscal years. Excludes classified payments from federal spy agencies.*

Source: New York Times analysis of transaction-level contract and grant data from usaspending.gov*

By Eli Murray

Even if Mr. Trump had never given Mr. Musk and his employees a government role — or if former President Joseph R. Biden Jr. had been elected to a second term — SpaceX would have continued to secure new government work. What has changed is the overall value of the work expected to be delivered to SpaceX.

Douglas Loverro, a former senior NASA and Pentagon official who also served as an adviser to the Trump transition team on space issues, said SpaceX deserved to win many of these additional contracts.

“He does have the best tech,” Mr. Loverro said of Mr. Musk. “All of this will lift the space industry as a whole, obviously — but it will certainly help SpaceX even more.”

Other government contracting experts say they remain concerned Mr. Musk is positioned to secure special favors, particularly after Mr. Trump [fired officials](#) charged with investigating ethics violations and potential conflicts of interest.

“We will never know if SpaceX would authentically win competitions for these awards because all of the offices in government intended to prevent corruption and conflicts of interest have been beheaded or defunded,” said Danielle Brian, the executive director of Project on Government Oversight, a nonprofit group that tracks federal contracts.

“The abuse of power and corruption that is spreading across federal agencies because of Musk’s dual roles is horrifying,” she said.

Pentagon Rising

Even before Mr. Trump's return, SpaceX had been working behind the scenes for several years to expand its business with the Pentagon and intelligence agencies.

It would hire former military officials who then reached back into the Defense Department to nudge former associates and friends to buy more SpaceX services.

Gary Henry, a former Air Force space and missile program supervisor, was among them. He joined SpaceX as it was developing Starship, the largest and most powerful spacecraft ever constructed.

During Mr. Henry's tenure at SpaceX, the company secured [a \\$102 million Air Force contract](#) to study how Starship could deliver military cargo to points around the world within 90 minutes. Currently, that task is mostly done with the Air Force's pack mules, C-130 cargo planes, which take much of a day for the trip.

SpaceX is still having trouble getting Starship operational. The two most recent test flights [resulted in explosions](#) that sent debris raining over the Caribbean.

Nonetheless, Mr. Henry — now back working for the Pentagon as a consultant — is promoting Starship as an option for the military.

Last month, while speaking on behalf of the Pentagon at a satellite industry conference in California, he described how Starship might be used during the Trump administration to deliver a major piece of military equipment "to any point on the planet very quickly."



SpaceX's Dragon cargo spacecraft undocking from the International Space Station last year. NASA

A few weeks later, the Air Force [disclosed](#) plans to build a rocket landing pad on Johnston Atoll, a tiny island in the Pacific Ocean, to test these cargo ship landings. The Pentagon's initial goal: to move [100 tons](#) of cargo per flight, a total that only Starship, at least according to its design, has the power and size to handle.

“It’s frustrating,” said Erik Daehler, a vice president at Sierra Space, which also wants to sell cargo services to the Pentagon. “Things can’t just go to SpaceX.”

Maj. Gen. Steve Butow, the director of the space portfolio at the Pentagon’s Defense Innovation Unit, when asked by The Times about Mr. Henry’s public comments on behalf of the agency for a project he had worked on as a SpaceX employee, said: “The optics were unfortunate.”

Mr. Henry, in an interview, said the nation would benefit from tools that SpaceX and other commercial space companies like Rocket Lab offer.

“Commercial space in general is very relevant to to the problems we need to go solve,” he said. “It just turns out that SpaceX is kind of leading — it is the pointy end of the spear.”

An even bigger boost for SpaceX is likely, current and former Pentagon officials said, through a missile defense project called the Golden Dome.

For that project, [Mr. Trump has ordered](#) the Pentagon to rapidly figure out how to shoot down nuclear missiles headed for the United States, as well as strikes from lower-flying cruise and hypersonic missiles — an effort that could cost \$100 billion annually, according to [one estimate](#).

SpaceX already is positioned to handle a large share of the Pentagon’s military launch jobs in the next several years, along with Jeff Bezos’ Blue Origin and United Launch Alliance, a consortium run by Lockheed Martin and Boeing.

A space-based missile defense system would drive launch spending even higher, as the government would need to purchase more devices to track missile threats and transmit the data to target them, services that SpaceX also provides.

Ann Stefanek, an Air Force spokeswoman, said in a statement that the Space Force would adhere to all laws and regulations to ensure ethical and effective partnerships, which generally require competitive bidding for new contracts.

But industry observers said SpaceX would almost certainly secure a large share of this lucrative new work.

Laura Grego, a senior researcher at the nonprofit Union of Concerned Scientists, said: “Golden Dome is quite an apt name, as it is certainly going to cost a lot of coin.”

Mars Bound at NASA

Mr. Trump’s nominee to run NASA, Jared Isaacman, is a billionaire entrepreneur and a space enthusiast. He paid SpaceX hundreds of millions of dollars to fly — twice — into orbit aboard a rocket.

More importantly, his payment processing company, Shift4 Payments, [purchased a stake in SpaceX](#) several years ago, an investment that generated [\\$25 million in gains](#) in recent years, effectively making him and Mr. Musk business partners. That SpaceX stake was recently sold, a Shift4 executive said. In [ethics documents](#) released this month, Mr. Isaacman vowed to sever any remaining financial ties he had with SpaceX.

If confirmed, Mr. Isaacman will join Michael Altenhofen, who in February was named a [NASA senior adviser](#) after 15 years at SpaceX.

NASA has already paid SpaceX more money than even the Pentagon — a total \$13 billion in contractual commitments over the past decade. Those deals include hiring SpaceX to deliver cargo and astronauts to orbit and to send NASA's biggest and most expensive probes into the universe.



President Trump has nominated Jared Isaacman, a billionaire entrepreneur who is close to Mr. Musk, to take over NASA. Patrick T. Fallon/Agence France-Presse — Getty Images

Just last month, NASA awarded SpaceX [a contract worth](#) an estimated \$100 million to launch a new space telescope that will search for asteroids that might threaten Earth.

But that is a relatively tiny chunk of how much new money SpaceX could secure from the agency in Mr. Trump's second term.

Former NASA officials predict that Mr. Isaacman will quickly push to revamp the space agency's Artemis project, which intends to return American astronauts to the moon. That move could generate resistance — as the program has many allies in Congress.

Currently, Boeing has [one of](#) the main contracts to build the rockets for Artemis. But Mr. Loverro and other former agency officials said they expect the government to phase out this rocket, as it is years behind schedule and [billions of dollars](#) over budget.

This will allow NASA to turn to commercial space companies such as SpaceX or Blue Origin to lift astronauts into orbit for future missions to the moon or even Mars.

Mr. Musk boasted [this month](#) that SpaceX would [launch an uncrewed Starship to Mars](#) by the end of 2026 and then send the first humans there by perhaps 2029 — an effort that he will likely push NASA to help finance. (Mr. Musk's timeline predictions have been wrong in the past.) Executives at Boeing and Blue Origin each declined requests for comment.

SpaceX “will almost certainly see massive new business,” said Pamela Melroy, a retired astronaut and Air Force officer who served as NASA's deputy administrator during the Biden administration. “All of the indicators for SpaceX are trending positive.”

Bringing Broadband to Rural America

Until recently, Starlink had mostly been on the outside looking in — unable for the most part to tap into federal incentives to provide internet access to remote areas.

Howard Lutnick, the commerce secretary, vowed in his confirmation hearing in January to change that.

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Howard Lutnick, the commerce secretary, who was sworn in last month. He made clear during his confirmation hearing that he wants to change the way the agency manages \$42 billion in funding to expand broadband access. Tierney L. Cross for The New York Times

He promised to end the way the Commerce Department manages \$42 billion in funding it is distributing to states to expand broadband access. The Biden administration chose to prioritize systems that wired homes directly to internet networks, rather than satellite-based systems like Starlink.

“Let’s use satellites, let’s use wireless and let’s use fiber,” Mr. Lutnick said at the hearing. “And let’s do it the cheapest, most efficiently we can.”

Senator Ted Cruz, Republican of Texas, who has often taken up battles with Washington on behalf of Mr. Musk, had already [been pressuring the Commerce Department](#) to ease grant rules to allow satellite-based broadband in rural areas, where the cost of running cable can be expensive.

Now, Mr. Cruz’s former Senate aide, Arielle Roth, who [was helping](#) with this push, has been [nominated](#) by Mr. Trump to lead the Commerce Department agency that will oversee the grant program.

The Federal Communications Commission has its own, smaller grant program that also provides funding to deliver broadband to underserved parts of the United States. Starlink had originally been slated to get nearly \$1 billion in funding before the F.C.C. withdrew the offer in late 2023, saying that the service did not meet agency requirements.

The commission’s board chair has now been taken over by Mr. Carr, who [had protested the decision](#) to deny SpaceX these funds. Industry analysts and two former F.C.C. members interviewed by The Times said they now expect the agency to once again offer some of these grant funds to Starlink.

The commission [also approved](#) a SpaceX request this month, despite protests from Verizon and AT&T, to boost power on its Starlink satellites so they can provide smartphone service directly from orbit, ending cellphone dead zones for some customers.



A Starlink satellite kit being used in a community in Burnsville, N.C., after the destruction of Hurricane Helene last year. SpaceX is hoping to get federal incentives to provide internet access via Starlink to remote areas. Allison Joyce/Agence France-Presse — Getty Images

A victory on each of these fights by SpaceX “could be huge — in the tens of billions of dollars,” said Drew Garner, a researcher at the Benton Institute for Broadband & Society.

But at the same time, there could be long-term costs to consumers nationwide.

Monthly satellite subscription costs for consumers are higher than wired internet, in most cases. Satellite-based systems also tend to be slower compared to cables wired to the house.

“Stranding all or part of rural America with worse internet so that we can make the world’s richest man even richer is yet another in a long line of betrayals by Washington,” Evan Feinman, who led the Commerce Department’s rural broadband program during the Biden administration, wrote in an [email to his colleagues](#) this month, on the day he left the agency.

Modernizing Aviation

After a fatal midair collision between an Army helicopter and a commercial jet in January, Transportation Secretary Sean Duffy asked for Mr. Musk’s help.

The Federal Aviation Administration, which is trying to modernize its air traffic control and weather data systems, needed a boost in technical know-how, Mr. Duffy said.

Teams from SpaceX were brought into the agency to assist with this work.

Mr. Musk soon complained on social media that Verizon was moving too slowly on a multibillion dollar agency [contract awarded](#) in 2023 to deliver the new technology.

“The Verizon system is not working and so is putting air travelers at serious risk,” Mr. [Musk wrote on X](#) last month.

Theodore Malaska, one of the SpaceX employees working at F.A.A., was granted a special ethics waiver by the Trump administration to participate in “particular matters which may have a direct and predictable effect” on the financial interest of SpaceX, according to [documents](#) obtained by The Times.

Soon after, Mr. Malaska was [boasting on X](#) how the F.A.A. was now building SpaceX’s Starlink satellites into agency systems that send weather data to pilots. It is a design that could bring future federal business to SpaceX.

An F.A.A. spokesman said that as of mid-March, only eight of the Starlink terminals were in use and Mr. Musk said they had been donated. But other Starlink terminals [have recently been installed](#) at the White House and at the offices of the General Services Administration.

“I am working without biases for the safety of people that fly,” Mr. Malaska [said in a social media posting](#).

The overlap in these roles — Mr. Musk’s employees advising agencies while SpaceX is installing its Starlink devices at agency locations — present an ethical situation that has few precedents in modern American history.

[Federal rules generally](#) prohibit awarding contracts to federal employees, including special government employees. Federal employees also are [prohibited](#) from taking actions that might benefit their own families or outside entities they have a financial relationship with.

Mr. Musk has argued he is not personally involved in pursuing SpaceX contracts. But federal contracting systems require the government to avoid not only actual conflicts of interest, but [even the appearance](#) of them.

“By any objective standard, this is inappropriate,” said Steven Schooner, a former government contracts lawyer who is now a professor studying government procurement at George Washington University.

“Given the power he wields and the access he enjoys,” Mr. Schooner added, “we just have never seen anything like this.”

Mark Walker and Aaron Krolik contributed reporting.

Eric Lipton is a Times investigative reporter, who digs into a broad range of topics from Pentagon spending to toxic chemicals. More about Eric Lipton