

ELON MUSK: Narcissist Embezzler!

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A Glass House for Elon Musk Sparks Internal Tesla Probe

Plans for Tesla's secret 'Project 42' called for an unusual-looking glass structure in the Austin, Texas, area

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TAP FOR SOUND

Twitter owner Elon Musk and Meta CEO Mark Zuckerberg have agreed to a cage match. A physical fight might be a first but WSJ's Joanna Stern breaks down—with the help of action figures—why this tech brawl is actually like past Silicon Valley beefs. Photo illustration: Kenny Wassus, Preston Jessee

AUSTIN, Texas—Inside [Tesla TSLA 0.07%increase: green up pointing triangle](#), it was known as “Project 42,” and the plans called for a dramatic glass-walled building to rise near [the automaker's headquarters](#) outside this capital city.

Internally, the secret project was described as a house for Chief Executive [Elon Musk](#).

One concept showed a structure in the shape of a twisted hexagon on waterfront land with Tesla's factory in the background, according to a document reviewed by The Wall Street Journal.

Other renderings depicted an expansive glass box, reminiscent of Apple's store on Fifth Avenue in Manhattan, with a residential area that appeared to include bedrooms, bathrooms and a kitchen, said people familiar with the matter.

Plans for the project, which Tesla employees were discreetly working on last year, changed over time, said people familiar with the matter.

Some images also showed a waterfall feature as part of the landscaping around the building and a futuristic-looking pickup truck, resembling Tesla's forthcoming Cybertruck, approaching from a distance, one of the people said. At one point, there was speculation among employees that the project could include a museum.

Along the way, the project drew scrutiny from Tesla lawyers and board members, according to people with knowledge of the situation. An order for millions of dollars in specialized glass—the type of large-format panels used on building facades—sparked concern among some employees about what the materials would be used for, some of the people said.

After that order, Tesla board members investigated whether company resources had been misused and if Musk, himself, had a role, some people with knowledge of the situation said.

Among the questions asked as part of Tesla's internal inquiry was how much employee time had been spent on the project, one person said.

The outcome of Tesla's investigation and the status of the project couldn't be learned.



Limited liability companies tied to Elon Musk's businesses or executives have been buying up land in the Austin, Texas, area. PHOTO: BRANDON BELL/GETTY IMAGES

Last year, Bloomberg [reported that Tesla had been investigating](#) the glass order internally and whether the materials were being secured for Musk's personal use. The involvement of board members and details about Project 42 weren't previously reported.

Tesla, Musk and Robyn Denholm, who is chair of Tesla's board, didn't respond to requests for comment. Other board members contacted for this article also didn't respond to requests for comment. A spokeswoman for director James Murdoch declined to comment.

The company had considered canceling the glass order at issue in the investigation or using the materials for another purpose, people familiar with the matter said. It couldn't be learned whether the glass was delivered to Tesla.

Tesla's Austin-area factory, which the company calls Giga Texas, is a key piece of Musk's expanding business empire in the Lone Star State. Musk and employees of his companies have described a vision for a "utopia" along the Colorado River, with [plans to incorporate a town](#) in Bastrop County, about 35 miles from Austin, The Wall Street Journal reported earlier this year.

As Tesla employees worked on Project 42, the electric-car maker was trying to get its new assembly plant in Texas up and running, a capital-intensive undertaking that is critical to its growth ambitions. Tesla builds the Model Y crossover at the factory, which officially opened in 2022.



Tesla's Austin-area factory is a key piece of Elon Musk's expanding business empire in Texas. PHOTO: SERGIO FLORES FOR THE WALL STREET JOURNAL

Musk's associates had also been searching for a property in the Austin area for the billionaire entrepreneur, the Journal has reported.

The 52-year-old executive has for much of his career maintained a rather nomadic lifestyle, playing down the need to own a house or many personal possessions.

Musk, who also owns social-media firm Twitter and runs rocket company SpaceX, is often traveling, bouncing back and forth between his companies' various locations in Texas and California.

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A self-described couch-surfer, he has talked about sleeping at Tesla's California car factory during intense work periods. Since taking control of Twitter in late October, Musk has said he has slept at the social-media company's headquarters in San Francisco.

Musk publicly vowed in 2020 to "own no house" and [proceeded to sell seven houses](#) in California.

In 2021, Musk said he [had relocated his "primary" residence](#) to a roughly \$50,000 South Texas cottage that he rented from SpaceX, where he is also CEO. He also had engaged a series of real-estate agents to show him Austin-area mansions and [personally toured some homes](#), the Journal has reported.

His personal financial advisers told brokers there were certain requirements, including the desire for a large expanse of land that wasn't available in properties on the market at the time.

Musk has disputed the notion that he was looking to buy a house but acknowledged that it could be time to find a more regular place to stay. "I should probably live somewhere," he tweeted in December 2021.

Meanwhile, limited liability companies tied to Musk's businesses or executives were buying up land in the Austin area, according to land and deed records. For instance, an LLC managed by Jared Birchall, one of Musk's top advisers, purchased more than 500 acres across the Colorado River from Tesla's Austin-area factory in 2021, records show.

Company policies on what constitutes personal or professional spending by C-suite executives differ depending on the firm, and there can be broad leeway, corporate governance experts say. Compensation packages can include access to a corporate jet, assistance from a financial adviser or a country-club membership.

It is rarer for boards to sign off on using corporate funds for personal homes, corporate governance experts say, though it may happen related to portions of homes used for work

purposes, such as meeting rooms for executives or board gatherings.

Tesla has said in securities filings that the board's audit committee must review and approve transactions above \$120,000 in which a related person, such as an executive officer, has a material interest.



Last year, Tesla employees were working on a secret project described internally as a house for Elon Musk. PHOTO: MATTHEW BUSCH FOR THE WALL STREET JOURNAL

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