

EXHIBIT 35

N. 46

Eric Lipton and Kirsten Grind, “Elon Musk’s Business Empire Scores Benefits Under Trump Shake-Up,” N.Y. Times (Feb. 11, 2025),
<https://www.nytimes.com/2025/02/11/us/politics/elonmusk-companies-conflicts.html>.

Government investigations into Mr. Musk's companies are stalling amid President Trump's firings and Biden administration resignations.



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By Eric Lipton and Kirsten Grind

The reporters have spent the past year investigating Elon Musk's business with the federal government.

Feb. 11, 2025

President Trump has been in office less than a month, and Elon Musk's vast business empire is already benefiting — or is now in a decidedly better position to benefit.

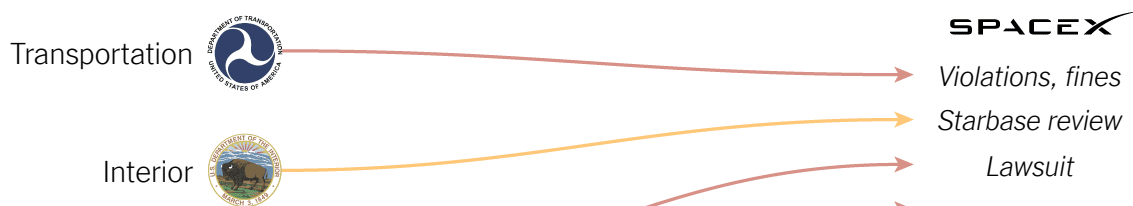
Mr. Trump and Mr. Musk, the world's richest man who has been given enormous power by the president, have been dismantling federal agencies across the government. Mr. Trump has fired top officials and pushed out career employees. Many of them were leading investigations, enforcement matters or lawsuits pending against Mr. Musk's companies.

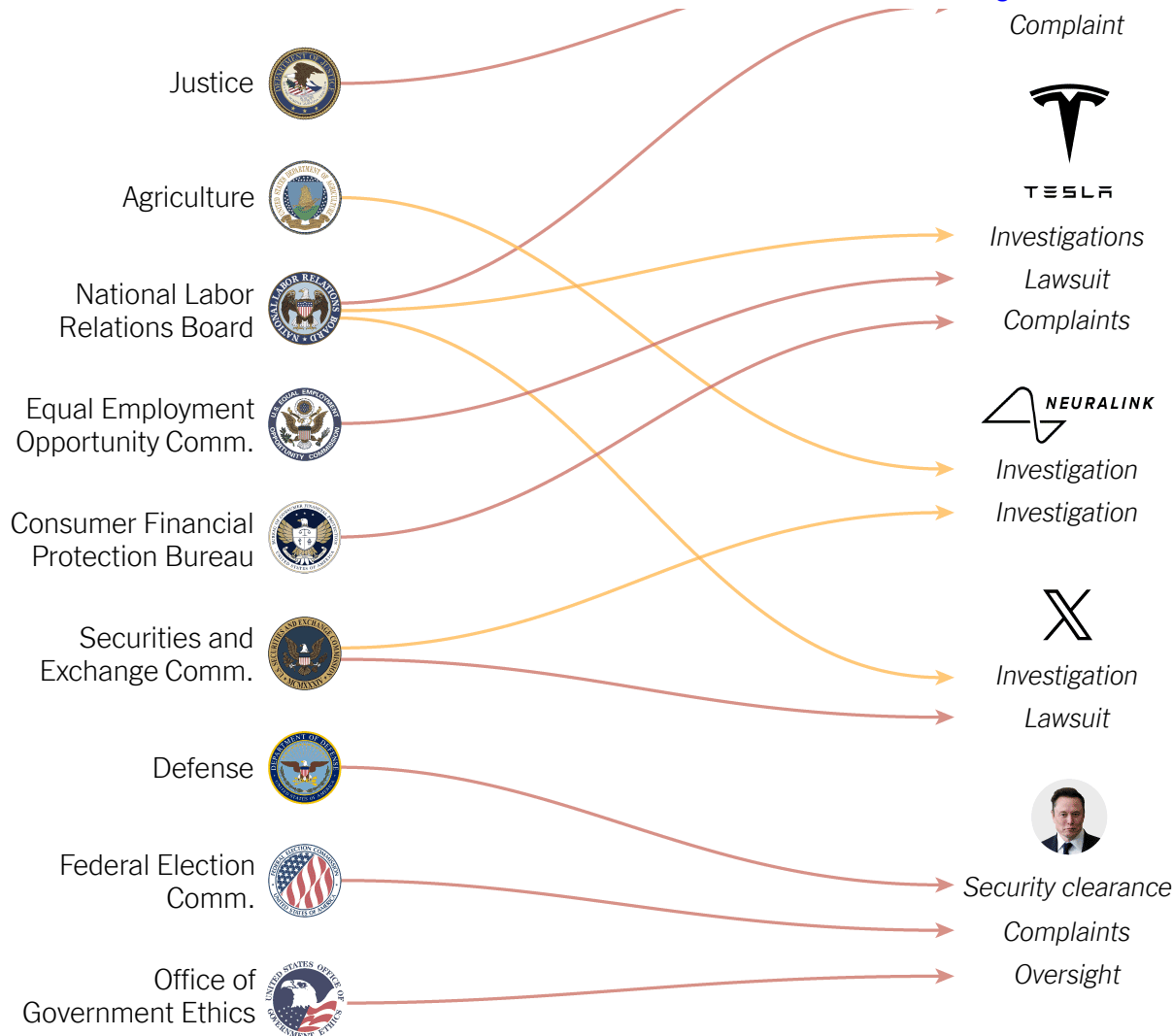
Mr. Musk has also reaped the benefit of resignations by Biden-era regulators that flipped control of major regulatory agencies, leaving more sympathetic Republican appointees overseeing those lawsuits.

At least 11 federal agencies that have been affected by those moves have more than 32 continuing investigations, pending complaints or enforcement actions into Mr. Musk's six companies, according to a review by The New York Times.

Trump firings hit agencies with oversight of Musk's companies

Staffing changes, including the firing of several top officials, have affected agencies with federal investigations into or regulatory battles with Elon Musk's companies.





By Malika Khurana

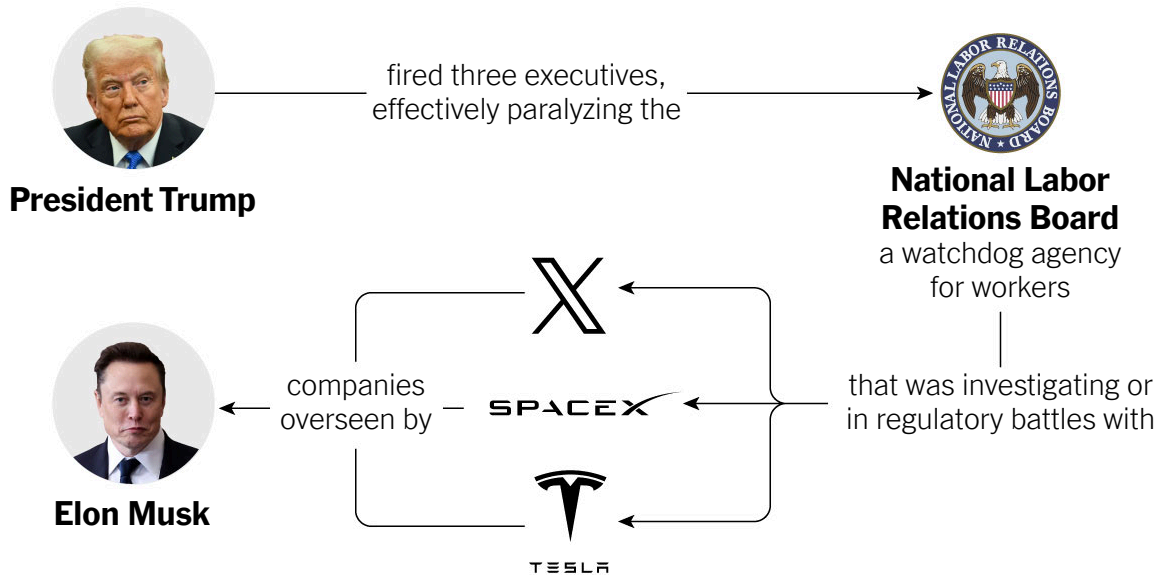
The events of the past few weeks have thrown into question the progress and outcomes of many of those pending investigations into his companies.

The inquiries include the Federal Aviation Administration's fines of Mr. Musk's rocket company, SpaceX, for safety violations and a Securities and Exchange Commission lawsuit pressing Mr. Musk to pay the federal government perhaps as much as \$150 million, accusing him of having violated federal securities law.

On its own, the National Labor Relations Board, an independent watchdog agency for workers' rights, has 24 investigations into Mr. Musk's companies, according to the review by The Times.

Since January, Mr. Trump has fired three officials at that agency, including a board member, effectively stalling the board's ability to rule on cases. Until Mr. Trump nominates new members, cases that need a ruling by the board cannot move

forward, according to the agency.



By Lily Boyce and Malika Khurana

Over at the Consumer Financial Protection Bureau, a public database shows hundreds of complaints about the electric car company Tesla, mostly concerning debt collection or loan problems. The agency has now effectively been put out of commission, at least temporarily, by the Trump administration, which has ordered its staff to put a hold on all investigations. The bureau also is an agency that would have regulated Mr. Musk's new efforts to bring a payments service to X.

"CFPB RIP," Mr. Musk wrote in a social media post last week as the Trump administration moved to close down the bureau.

Mr. Musk not only has numerous contracts that are overseen by multiple government agencies — including space, media, financial securities and highway safety. He and his team also have an extraordinary position created by Mr. Trump that allows him to review the spending and staffing of every department in the executive branch through his cost-cutting initiative called the Department of Government Efficiency.

Traditional federal conflict of interest rules seem almost antiquated, if Mr. Musk is determined to be involved in specific decisions about agencies his companies do business with.

That is why Mr. Musk's role is so concerning to former White House ethics lawyers in Democratic and Republican administrations alike.

None of the investigations or lawsuits involving Mr. Musk and his companies, at least so far, have formally been dropped since the start of the new administration, according to more than a dozen current and former federal officials interviewed by The Times.

The Times also found no evidence that Mr. Musk directly ordered that an investigation into one of his companies be shut down or stalled.

The shifts at the agencies in many cases reflect changes in national priorities that come with a president who has long complained that government regulation has been too aggressive, a view widely held in the business community.

But the upheaval at federal agencies represents one of the first tests of a wide range of conflicts of interest Mr. Musk has brought to the White House, including 100 contracts with 17 federal agencies.

Mr. Musk controls six companies, including Tesla, which is publicly traded. He is the founder of SpaceX; the artificial intelligence start-up xAI; the Boring Company, a tunneling venture; and Neuralink, which is developing brain computer implants. All of those are private. He also owns the social media platform X, formerly Twitter.

Mr. Musk's companies secured \$13 billion in contracts over the past five years, making SpaceX, which collects most of that money, one of the biggest government contractors. There is already talk during the Trump administration of expanding these deals, particularly at the Air Force.

Mr. Musk has had a long and contentious relationship with regulators of his companies. He has called the S.E.C. "bastards," and SpaceX has sued the N.L.R.B., arguing it's "unconstitutional" after the agency had alleged that the company had mistreated and illegally fired some workers.

"If the rules are such that you can't make progress, then you have to fight the rules," Mr. Musk said in an authorized biography published in 2015.

Democrats in Congress, and outside lawyers who specialize in government contracting and ethics, have questioned Mr. Musk's position, saying that they cannot identify a time in American history when a corporate executive with so many regulatory matters, as well as billions of dollars in federal contracts, has had such power over government operations.

"Mr. Musk's dual roles — running a for-profit corporation while serving in public office — not only creates glaring conflicts of interest that pose grave risks for America's most sacred institutions, but may also violate federal law," Senator Richard Blumenthal, a Connecticut Democrat who is the ranking member of a Senate investigations panel, wrote in a letter to Tesla's general counsel and board chairman this month. Mr. Blumenthal sought answers as to how the company is dealing with the apparent conflicts.

Mr. Trump, speaking with reporters before he attended the Super Bowl on Sunday, said Mr. Musk is "not gaining anything" in the role. White House officials last week added that it is up to Mr. Musk to police his own actions.

"If Elon Musk comes across a conflict of interest with the contracts and the funding that DOGE is overseeing, then Elon will excuse himself from those contracts," the White House press secretary, Karoline Leavitt, said.

Mr. Musk, his companies and a spokeswoman for the Department of Government Efficiency did not respond to requests for comment.

However, in comments from the Oval Office with Mr. Trump on Tuesday, Mr. Musk defended his involvement in Pentagon contracting and said he was confident he did not have conflicts because employees at SpaceX submit the bids, not him personally.

Mr. Musk added that if anyone can find a contract that "was awarded to SpaceX and it wasn't by far the best value for money for the taxpayer, let me know, because every one of them was."

SpaceX, Tesla and Safety

SpaceX's launch of its Falcon Heavy rocket in July 2023 from the Kennedy Space Center in Florida gained little national attention, but in its own way it was historic: The company was putting a 10-ton satellite, the largest ever sent into what is called geostationary orbit, 22,000 miles above earth.

To the public, the launch went off without a hitch, but behind the scenes a conflict between SpaceX and the F.A.A. had been playing out, documents show. The agency had told SpaceX as the countdown to the launch was underway that a new facility SpaceX had built to fill the rocket engines with fuel had not yet passed all the required safety checks.

SpaceX went ahead anyway. The F.A.A. proposed a \$283,009 fine.

That move, along with a second proposed fine from the F.A.A., infuriated Mr. Musk, who had called the enforcement action unjustified and "improper, politically-motivated behavior."

Mr. Musk later demanded the resignation of the agency's head, Michael G. Whitaker.



Mr. Musk got his wish when Mr. Whitaker, a lawyer with decades of experience in the aviation industry, resigned on the last day of the Biden administration, even though he had been unanimously confirmed only in late 2023 to a five-year term, with bipartisan support in the Senate.

With Mr. Trump back in the White House, Mr. Musk's allies saw an opening to revoke the proposed F.A.A. fines and also to force the agency, which is charged under law with ensuring that rocket launches do not endanger the public or cause undue harm to the environment, to speed up its SpaceX approvals.

The confirmation hearing last month of Sean Duffy for transportation secretary created a moment to ask for the fine to be withdrawn.

"If confirmed, will you commit to reviewing these penalties and more broadly to curtailing bureaucratic overreach and accelerating launch approvals at F.A.A.'s Commercial Space Office?" asked Senator Ted Cruz, Republican of Texas, where SpaceX is moving its headquarters.

Mr. Duffy, who has since been confirmed, replied: “I commit to doing a review and working with you and following up on the space launches and what’s been happening at the F.A.A. with regard to the launches.”

Katie Thomson, who recently left the agency where she served as deputy administrator and previously chief of staff, said she found Mr. Musk’s involvement as a federal government official “very troubling” given what she called Mr. Musk’s clear conflicts of interest.

“The F.A.A.’s actions are supposed to be driven by safety,” she said.

Officials at the F.A.A.’s commercial space division, which directly regulates SpaceX launches, said in a statement to The Times that it had not seen any recent cuts in its staff of approximately 160 and that the standards it uses to evaluate SpaceX permit requests had not changed.

Even seemingly small staff changes could benefit Mr. Musk’s multibillion-dollar business operations.

The full-time Fish & Wildlife Agency wildlife biologist assigned to help monitor the federal lands near the SpaceX launch site for any damage to threatened species’ habitats after launches recently was transferred to a post elsewhere in Texas.

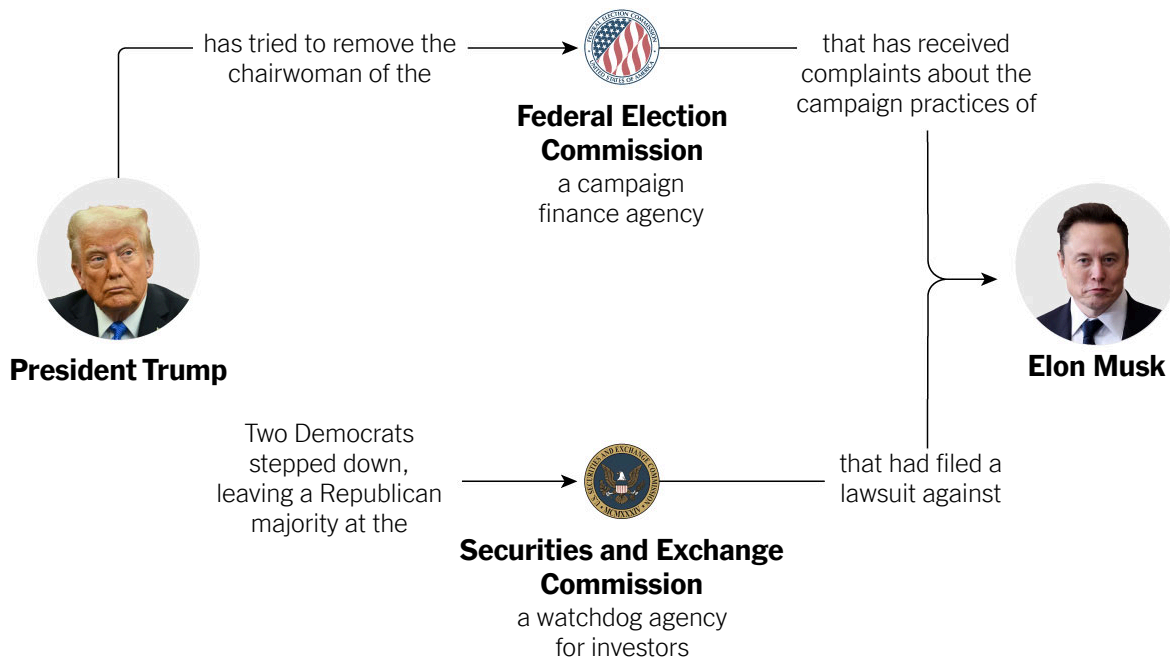
“The service is currently covering the workload with existing staff,” the agency said when asked about the transfer by The Times.

This response was derided by local environmentalists, who said that they have relied on the agency to help protect nearby coastal estuaries, considered some of the most important bird habitats in the world.

“What is happening is more or less a capitulation — they are tiptoeing around because of Trump and Musk,” said Jim Chapman, leader of a South Texas community group called Save RGV, short for Rio Grande Valley.

Shifts at the S.E.C. and F.E.C.

Changes in leadership at the Securities and Exchange Commission, which sued Mr. Musk in January shortly before Mr. Trump returned to the White House, will almost certainly result in an outcome more beneficial for Mr. Musk, lawyers involved in the case said.



By Lily Boyce

The S.E.C. determined that Mr. Musk underpaid by at least \$150 million for the Twitter stock he purchased in 2022 before moving to formally take over the company because he illegally failed to file a disclosure on time that he had already purchased 5 percent of the company. If that notice had been filed, the stock would almost certainly have risen in value and cost him more to acquire, the agency said.

Mr. Musk called the agency a “totally broken organization,” in response to a post on X regarding the S.E.C.’s lawsuit.

Mr. Musk, for months, repeatedly rebuffed efforts by agency investigators to interview him, agreeing only a few months before the end of the Biden administration to answer questions in person, delaying the investigation.

The agency is overseen by a five-member commission, which must sign off on litigation and settlements. The two Republicans objected to the planned lawsuit, but they were in the minority at the time.

Now, with the departures of two Democrats, Republicans have a majority, and two lawyers who have participated in the deliberations said they expect that the matter will be settled with a modest fine.

Mr. Trump's effort last week to remove the chairwoman of the Federal Election Commission also could affect Mr. Musk. The agency has received several complaints involving Mr. Musk, including one from Public Citizen, a nonprofit group, saying that he violated federal law by offering voters in swing states \$1 million each "to encourage voter registration."

The agency's chairwoman, Ellen Weintraub, a Democrat, has challenged Mr. Trump's effort to remove her. If her seat were empty, it would be less likely that the four remaining members of the commission would agree to open any new investigation or approve settlements, said Daniel Weiner, a former lawyer at the agency, as any such move requires four votes.

Workers' Rights

At two federal watchdog agencies for workers, the actions by Mr. Trump have a clear effect on Mr. Musk's business empire, as well as countless other companies that have matters before them.

The firings at the agencies, the National Labor Relations Board and the Equal Employment Opportunity Commission, mean neither has a quorum on its board to decide cases.

One of the many N.L.R.B. investigations involves Mr. Musk's companies' sweeping job cuts in 2022 at his social media platform X, then called Twitter.

Twitter employees at the time banded together to talk about what was going on at work, on Slack software and on the messaging app Signal. Twitter tried to get ahold of the communications and even surveilled some employees, according to copies of the N.L.R.B. charges obtained through public records requests.

The matter is being reviewed by N.L.R.B. staff, but the board's current construct could trouble its path forward or prevent a decision against X from being enforced.

Even if Mr. Trump replaces the absent board member, that would be likely to significantly shift the balance of the board more Republican, according to four people familiar with the agency.

Shannon Liss-Riordan, a lawyer representing the Twitter workers, said she is worried that the changes at the N.L.R.B. could affect those specific charges.

"If I were a betting person, this is not exactly where I'm hanging my hat today," she said.

In 2023, the E.E.O.C. separately sued Tesla, alleging widespread and "ongoing racial harassment of its Black employees" and retaliation.

The litigation has been a thorn in Tesla's side. Last year, a judge ruled against the company's move to dismiss the lawsuit despite the company's argument that "Black workers can and do thrive at Tesla."

While the case is moving forward, Mr. Trump is expected to appoint new commissioners, representing a shift in the agency's approach to workers' rights and a potential dismissal of the matter.

A spokesman for the E.E.O.C. said the agency would not comment on current litigation.

Fired Watchdogs

In his first week, Mr. Trump fired at least 17 inspectors general, who are charged with investigating waste and corruption within their own agencies.

The mass firing — a move that may have violated federal law — may benefit Mr. Musk.

Among the dismissed inspectors general was Phyllis Fong at the Agriculture Department.

Her agency had opened an investigation in 2022 into Mr. Musk's brain implant start-up, Neuralink, and the inquiry was in progress as of late last year, according to two people familiar with it. Reuters reported last month that the investigation was continuing.

In December, Mr. Musk posted a letter from his lawyer on X that claimed that the S.E.C. had also reopened an investigation into Neuralink.

Both investigations arose after a nonprofit, Physicians Committee for Responsible Medicine, discovered through a public records lawsuit in 2021 that Neuralink had allegedly mistreated dozens of test monkeys, Ryan Merkley, the nonprofit's director of research advocacy, said in an interview.

"They suffered from infections, internal bleeding and there were surgical mistakes that were made where devices that were screwed to the skull came loose," Mr. Merkley said.

Mr. Musk has denied the mistreatment of monkeys at Neuralink, and the company was not cited after a U.S.D.A. review.

The U.S.D.A. inspector general's office didn't return requests for comment.

On Monday, Mr. Trump fired the head of the Office of Government Ethics, an independent agency. The office had pending requests to investigate Mr. Musk based on allegations raised by Democrats in Congress last week that Mr. Musk's role as a federal government official creates an unavoidable conflict of interest.

The letter, signed by 12 House Democrats, said: "The American people deserve assurances that no individual, regardless of stature, is permitted to influence policy for personal gain."

Jessica Silver-Greenberg and Aaron Krolik contributed reporting. Kirsten Noyes contributed research.

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A version of this article appears in print on , Section A, Page 1 of the New York edition with the headline: Under Trump Shake-Up, Benefits for Musk Empire