White House Officials Hold Millions of Dollars of Taxpayer Funded Tesla And SpaceX

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(Bloomberg) -- SpaceX's initial public offering will likely make President Donald Trump's already wealthy administration even richer.

Ten officials ranging from special envoy Steve Witkoff to Small Business Administration head Kelly Loeffler reported financial interests in Elon Musk's rocket company or in xAI, the artificial intelligence and social media firm it merged with in February, according to their most recent public financial disclosures.

In total, the federal staffers held SpaceX or xAI stock worth at least $9.9 million and as much as $43.8 million, according to the disclosures, which were made last year and list the value of assets in broad ranges. These officials could have sold all or part of their holdings since then without triggering additional disclosure requirements.

SpaceX stands out for the unprecedented size of its planned IPO, and for its close ties to government and members of the administration. The IPO, expected to happen as soon as next week, is set to make Musk the world's first trillionaire if it achieves its targeted valuation of at least $1.8 trillion. It's also expected to make billionaires of several company insiders and investors, while minting millions in wealth for employees.

The company is a major government contractor, with $4 billion in federal transactions in fiscal 2025. Last month, it was awarded an additional $6.5 billion in two contracts from the US Space Force to provide satellites for communications and monitoring airborne threats.

Musk, meanwhile, helped select dozens of people to fill contract-slashing and data-gathering roles throughout the federal government in his time running the Department of Government Efficiency. Many of them were his own employees, from SpaceX or other corners of his empire.

In Musk's final month in Washington, Paul McInerny, a former SpaceX engineer, was named chief information officer of the Department of the Interior. McInerny reported the largest SpaceX stake of any official, holding between $5 million and $25 million. He didn't have to divest, and instead received an ethics waiver to work on broad issues that could affect the company, filings show.

A spokesperson for the Department of the Interior said McInerny recuses himself from all matters involving his financial interests.

“Paul McInerny made the decision to serve our great country because he believes in the mission of the Trump administration and knows all of government can operate more efficiently for the American taxpayer,” the spokesperson said. “Mr. McInerny takes his ethical obligations seriously.”

Another high-profile SpaceX holder was Witkoff, who has worked on peace negotiations over Ukraine, Gaza and Iran. He disclosed assets of $1 million to $5 million in 3G Investors LLC, a vehicle whose only reported holding in the filing was SpaceX. A spokesperson for the White House didn’t comment on Witkoff’s disclosure.

In most cases, it’s unclear whether the officials have made changes to their holdings since they were reported. Though they’re legally required to report sales of certain assets no more than 45 days after the transaction — including stocks and bonds — private company holdings are exempt. New financial disclosures filed in May are slated to become public by mid-June.

‘No Analogs’

SpaceX is seeking to raise as much as $75 billion, which would make it the biggest public stock offering of all time. But government ethics attorneys said it’s more than the size of the IPO that makes it abnormal.

“This is just such a unicorn event,” said Caleb Burns, co-chair of law firm Wiley Rein LLP’s election law and government ethics practice. “It’s the biggest public offering ever, helmed by a onetime close ally of the president, who with his DOGE efforts had involvement with virtually every administrative agency in the federal government.”

“Historically, there are no analogs,” he added.

In at least one case, an appointee was required to divest from a position in SpaceX to meet ethics requirements. Kevin Warsh, who replaced Jerome Powell as chair of the Federal Reserve last month, held exposure to SpaceX through a fund affiliated with the Duquesne Family Office, led by billionaire investor Stan Druckenmiller. Warsh said in an ethics filing that he would divest from that fund before assuming his role at the central bank.

The Fed declined to comment beyond the ethics filing.

Elsewhere in Trump’s administration, officials revealed smaller holdings in Musk’s companies.

Loeffler, the former senator and current administrator of the Small Business Administration, disclosed an investment in xAI worth between $1 million and $5 million. Listed as an asset of the family office that invests for Loeffler and her husband, Intercontinental Exchange Inc. founder Jeffrey Sprecher, it was held in a UBS Group AG account through a Valor Equity Partners fund whose sole investment was xAI, according to the filing. Valor was founded by longtime Musk associate Antonio Gracias, and is one of the largest holders of SpaceX after Musk.

The SBA didn’t respond to a request for comment.

Michael Lynch, a former SpaceX employee who’s now deputy administrator of the General Services Administration — a hub managing contracting and properties that the federal government owns — held between $500,000 and $1 million worth of SpaceX, filings show.

"All appropriate ethics policies and processes were followed regarding this matter," a spokesperson for the GSA said in an emailed statement. "Deputy Administrator Lynch is leveraging his industry leadership experience to help federal agencies buy and use smart technology solutions at the best value for American taxpayers."

Stacey Feinberg, ambassador to Luxembourg, reported a financial interest in xAI through a fund run by 1789 Capital, where Donald Trump Jr. is a partner. Her interest in the fund was worth between $500,000 and $1 million. Like McInerny, she received approval to retain her stake, with the government determining the likelihood of any overlap between her duties and the company's interests was "remote."

US ambassadors to Ireland, the Czech Republic and Portugal also reported stakes in SpaceX and xAI.

A spokesperson for the State Department said all government officials, including ambassadors, must comply with ethics disclosure requirements and legal obligations.

Reilly Steel, associate professor of law at Columbia University, said he's "unaware of another IPO in recent years in which so many top government officials have a financial interest."

Interior Department

Ethics officials must weigh federal appointees' financial interests carefully when it comes to holdings that do business with the government.

"There are recusal obligations that can apply to address any perceived conflicts of interest," said Burns at Wiley Rein, "but it's not an easy assessment."

McInerny, who made between $1 million and $5 million selling some of his SpaceX stock in 2024 and 2025, worked in software at SpaceX supporting early Dragon and Falcon-9 missions, according to the Department of the Interior's website. He now stewards all data and technology at the department, which manages hundreds of millions of acres of federal lands, environmental permitting and other responsibilities.

SpaceX interacts with the DOI on several fronts, including as a minor contractor. The National Park Service uses its Starlink satellites. SpaceX has also sought approvals for projects: In Texas, it asked the US Fish and Wildlife Service, an agency of the DOI, for permission to install utility lines and a road near a wildlife refuge.

McInerny underscored to ethics officials that offloading his SpaceX shares would be complex. As long as it's a private company, SpaceX controls when shareholders can sell and how much of their holdings they can offload, according to his ethics waiver. The government gave him clearance to weigh in on matters of "general applicability" that could potentially affect his own financial interests in SpaceX, in order to continue carrying out his role, according to filings.

The arrangement merits close attention, according to Scott Amey, general counsel for the Project on Government Oversight.

"It may be legal, but it's not a best practice," he said. "This requires daily oversight. The best practice would be to get out of it to remove even the appearance of a conflict of interest."