Musk touts DOGE transparency but downplays his own potential conflicts of interest

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CNN —

Elon Musk, the world's richest man who is now leading a sweeping effort to reshape the federal government, offered the most sustained defense of his far-reaching moves during a guestion-and-answer session in the Oval Office late Tuesday.

As President Donald Trump watched from his seat at the Resolute Desk, Musk — who stood a few feet away, wearing a long black coat and accompanied by his four-year-old son, X denied that his extensive business dealings with the government amounted to conflicts of interest in his role leading the Department of Government Efficiency.

And he brushed off questions about the authorities he is using to gut entire agencies, saying instead that Trump's election last November amounted to license enough to carry out the will of voters.

"The people voted for major government reform, and that's what the people are going to get," he said. "That's what democracy is all about."

Holding forth at length, Musk delivered a blistering assessment of the federal bureaucracy, which he described as rife with unelected "fraudsters" accepting kickbacks, some of whom he claimed had become millionaires through deceit.

"I think the reality is that they're getting wealthier at taxpayer expense," Musk said, speaking without presenting evidence of employees at USAID, one of the government agencies he has moved to shutter. "That's the honest truth of it."

He and the president speak nearly every day about what actions to take and where within the vast federal government to focus his attention, Musk said. His actions have stirred a fivealarm fire among Democrats in Congress, with Republicans far more muted in their response.

Mindful of that scrutiny and attention on Musk — from Congress, to the courts, to the citizenry — Trump summoned him to answer questions and shine a bit of light on what DOGE has been up to during the first three weeks of the administration. Tuesday's

appearance was also an effort to remove a bit of the mystique, aides said, as well as to have the White House show that Musk is working at the president's direction, not as a rogue operator inside the government. The rapport with Musk and Trump was on full display.

Still, the appearance was by and large Musk's own, with Trump left to sit and listen. At various moments, Trump interjected to ask Musk to expound further on some of the waste he claimed to be finding within the government.

"He's a successful guy, that's why we want him doing this," Trump said. "We don't want an unsuccessful guy doing this."

Musk, who has acknowledged that he voted for Joe Biden four years ago, became one of Trump's biggest benefactors last year. He spent more <u>than a quarter of a billion dollars</u> in the final months of the 2024 race to boost Trump's candidacy.

Both men touted their aggressive efforts to downsize and remake the federal government, saying American voters sent Trump to the White House to reform the workings of Washington. Trump has dismissed government watchdogs, or inspectors general, at agencies across the city, raising myriad oversight questions.

By midway through the Oval Office session, Musk's son had climbed onto his father's shoulders and begun playing with his hair, prompting Musk to remove his black "Make America Great Again" hat.

Musk offered little evidence for his various claims, including blanket allegations of fraud and waste. And he frankly admitted that he would sometimes make claims that wind up to be untrue.

"Some of the things that I say will be incorrect and should be corrected. So nobody's gonna bat a thousand," Musk said. "I mean, any you know, we will make mistakes, but we'll act quickly to correct any mistakes."

Plans to reduce federal workforce ordered

In his latest move to slash the number of federal employees, Trump signed an executive order Tuesday that called for agency leaders to "promptly undertake preparations to initiate large-scale reductions in force (RIFs), consistent with applicable law."

Agencies will also work with DOGE to cut the size of the workforce and restrict hiring to essential positions, according to a White House fact sheet. There are some 2.4 million federal employees, not including postal workers.

The Trump administration last week promised <u>widespread layoffs</u> would take place among federal employees who did not take the deferred resignation offer, which has been <u>paused</u> by a federal judge. More than 65,000 workers have accepted the offer, though that still falls short of the White House's target of getting 5% to 10% to resign.

The order calls for prioritizing reductions among federal offices that Trump has targeted in his first weeks in office, including all departments' diversity, equity and inclusion initiatives and agency efforts or operations that his administration suspends or closes, among others.

Also, departments will review what divisions – or entire agencies – "may be eliminated or combined because their functions aren't required by law," according to the fact sheet.

The order specifies that the reductions would not apply to public safety, immigration enforcement or law enforcement.

In the past three weeks, Trump has mandated that employees in any <u>federal diversity</u>, <u>equity</u>, <u>inclusion and accessibility offices</u> be placed on paid administrative leave. He has moved to <u>dismantle</u> the US Agency for International Development, though a federal judge has <u>temporarily blocked</u> that plan. On Sunday, <u>Consumer Financial Protection Bureau</u> employees were told that the agency's Washington, DC, headquarters would be closed this week and that they should work remotely.

Tuesday's executive order also severely limits federal departments' ability to bring on more staffers once the hiring freeze that Trump put in place is lifted. They will only be allowed to replace one of every four employees who leave.

Musk likens scrutiny to a 'proctology exam' but isn't filing public financial disclosure

Musk, speaking in the Oval Office, sought to underscore his belief that "transparency is what builds trust," and insisted that all of his team's efforts were being made public on DOGE's social media accounts and website.

But he also seemed to chafe at some of the scrutiny he was receiving, likening it to a "daily proctology exam."

Earlier in the day, a White House official said Musk would not need to file a public financial disclosure, allowing the world's richest man to skirt public scrutiny of his potential conflicts. Musk's various companies have billions of dollars in government contracts.

"As an unpaid special government employee who is not a commission officer, he will file a confidential financial disclosure report per the norm," a White House official told CNN.

And on Tuesday, a watchdog group filed a lawsuit to obtain records from DOGE, claiming it was structured to keep its communications secret.

Trump, sitting behind the desk, suggested in the Oval Office it would be his call to intervene if his administration believed there was a lack of transparency or a conflict of interest.

"We wouldn't let him," Trump said.

As snow fell outside the Oval Office, it was an extraordinary scene. Trump watched silently for several minutes as Musk commanded the room, less than a week after a TIME Magazine cover depicted Musk standing behind the Resolute Desk as if to suggest that he, not Trump, was in charge.

Musk, a South African-born entrepreneur, cannot be president himself. But he has assumed one of the highest unelected positions in the government, even as he holds billions of dollars in government contracts.

"All of our actions are fully public," Musk told a reporter who asked about conflicts of interest. "So if you see anything like, 'Elon, there may be a conflict there,' it's not like people are going to be shy about it. They are going to say it immediately."

This story has been updated with additional details.