

United States Senate

WASHINGTON, DC 20510

January 22, 2026

The Honorable Pete Hegseth
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C., 20301-1000

Dear Secretary Hegseth,

We write with questions about the Department of Defense's (DoD) practices in loan and procurement matters. For years, we have raised concerns about DoD's contracting process and related risks to national security and taxpayer dollars.¹ These concerns have been exacerbated during the Trump Administration.

In late 2025, we called for an investigation on whether defense and immigration contractors are receiving contracts because of their ties to Trump administration officials.² We write to obtain information on whether DoD's decisions to hand out lucrative contracts and loans to companies associated with the President's son may have been affected by conflicts of interests. If this is the case, it could mean that the Trump family is profiting from funds appropriated by Congress to keep Americans safe, raising both ethics and national security concerns.

Shortly after President Trump was elected, his son, Donald Trump, Jr., announced he was joining 1789 Capital, a venture capital fund founded in 2022, as a partner.³ Between April 2025 and

¹ Senator Elizabeth Warren, "Senator Warren Raises Concerns Over Conflict of Interest in DoD's Office of Strategic Capital," press release, July 10, 2023, <https://www.warren.senate.gov/oversight/letters/senator-warren-raises-concerns-over-conflict-of-interest-in-dods-office-of-strategic-capital>; Senator Elizabeth Warren, "Senator Warren Renews Call for Transparency and Oversight at DoD's Investment Office," press release, September 28, 2023, <https://www.warren.senate.gov/oversight/letters/senator-warren-renews-calls-for-transparency-and-oversight-at-dods-investment-office>; Senator Elizabeth Warren, "Warren Questions Pentagon Awarding \$200 Million Contract to Integrate Elon Musk's 'Grok' Into Military Systems Following the Chatbot's Antisemitic Posts," press release, September 10, 2025, <https://www.warren.senate.gov/newsroom/press-releases/warren-questions-pentagon-awarding-200-million-contract-to-integrate-elon-musks-grok-into-military-systems-following-the-chatbots-antisemitic-posts>; Senator Richard Blumenthal, "Blumenthal Hits Back at Musk Companies for Failing to Manage DOGE Leader's Glaring Conflicts of Interest," press release, February 25, 2025, <https://www.blumenthal.senate.gov/newsroom/press/release/blumenthal-hits-back-at-musk-companies-for-failing-to-manage-doge-leaders-glaring-conflicts-of-interest>; Senator Andy Kim, "Senator Kim Leads Colleagues in Demanding Transparency on Legal and Security Concerns of Private Donation to Pay Troops," press release, November 21, 2025, https://www.kim.senate.gov/press_release/senator-kim-leads-colleagues-in-demanding-transparency-on-legal-and-security-concerns-of-private-donation-to-pay-troops/.

² Senator Elizabeth Warren, "Warren, Raskin Lead Call for Investigation of Defense Contractors' Ties to Trump Administration Officials," press release, December 9, 2025, <https://www.warren.senate.gov/newsroom/press-releases/warren-raskin-lead-call-for-investigation-of-defense-contractors-ties-to-trump-administration-officials>.

³ New York Times, "Donald Trump Jr. Is Joining a Venture Capital Firm," Theodore Schleifer, November 11, 2024, <https://www.nytimes.com/2024/11/11/us/donald-trump-jr-firm.html>; CNBC, "Polymarket secures investment from

November 2025, after Mr. Trump joined the fund, its portfolio companies reportedly won more than \$70 million worth of contracts from the Trump Administration.⁴ DoD contracts awarded to companies backed by 1789 include:⁵

- \$45 million awarded to Cerebras Systems in April 2025 to improve artificial intelligence chip connections;⁶
- \$10.8 million awarded to PsiQuantum in April 2025 for quantum chips;⁷
- \$4.9 million awarded to Firehawk Aerospace in August 2025 to develop rocket engines;⁸
- \$10 million to Vulcan Elements for magnets in 2025.⁹

Separately, Unusual Machines, a drone company in which Mr. Trump Jr. reportedly holds a multimillion-dollar stake and for which he serves as an advisory board member,¹⁰ received a \$12.8 million DoD contract in September 2025.¹¹

And late last year, Vulcan Elements reportedly received the largest loan the DoD's Office of Strategic Capital (OSC), which was created in 2022, has ever awarded.¹² On November 21, 2025, OSC announced that the company, a small start-up that produces rare earth magnets that are used in drones and radar systems, would receive a "blockbuster" \$620 million loan.¹³ According to press reports, the loan materialized just months after 1789 Capital invested in Vulcan Elements,¹⁴

Trump Jr-backed 1789 Capital," August 26, 2025, <https://www.cnn.com/2025/08/26/polymarket-secures-investment-from-trump-jr-backed-1789-capital.html>.

⁴ Financial Times, "Donald Trump Jr-backed start-up scores \$600mn US federal government deal," Alex Rogers and Joe Miller, December 3, 2025, https://www.ft.com/content/952f37ba-78b4-42a4-8d1b-2258de65f2c0?accessToken=zwAGRSMj8F2YkdOVLze6eLRCpNONGyJY3mXyWwA.MEQCIGDFazRBTOYa5ztzpUJ1XwZ2wQbKAtqlpuHmg2xpF4uRAiAiyNs3PSPKxikJ9OjH8vteYQuKapHKftA_-7Xpnb7yQ&sharetype=gif&token=c972ce7e-89c9-4cfb-b282-e845b5d2d3ab.

⁵ Pitchbook, "1789 Capital Overview," <https://pitchbook.com/profiles/investor/520063-66#overview>.

⁶ Cerebras, "Cerebras Systems, Ranovus win \$45 million US military deal to speed up chip connections," Stephen Nellis, April 1, 2025, <https://www.cerebras.ai/news/cerebras-systems-ranovus-win-usd45-million-us-military-deal-to-speed-up-chip-connections>.

⁷ PsiQuantum, "PsiQuantum Announces \$10.8M Contract with Air Force Research Laboratory to Delivery Novel Quantum Chip Capabilities to the U.S. Air Force," press release, April 15, 2025, <https://www.psiquantum.com/news-import/psiquantum-afri-omega>.

⁸ Firehawk Aerospace, "Firehawk Aerospace Awarded 4.9M U.S. Air Force Contract to Advance Hybrid Rocket Engine Development," press release, August 25, 2025, <https://firehawk-aerospace.com/news/firehawk-aerospace-awarded-49m-us-air-force-contract-advance-hybrid-rocket-engine-development/>.

⁹ Defense News, "Vulcan Elements wins Pentagon deals as \$65M round fuels expansion," Jen Judson, August 25, 2025, <https://www.defensenews.com/industry/2025/08/25/vulcan-elements-wins-pentagon-deals-as-65m-round-fuels-expansion/>.

¹⁰ Forbes, "Donald Trump Jr.'s Expanding Business: After Joining 2nd New Board, U.S. Contracts Followed," Zach Everson, October 29, 2025, <https://www.forbes.com/sites/zacheverson/2025/10/29/donald-trump-jr-ultimate-machines-defense-contracts-drones/>.

¹¹ Unusual Machines, "Unusual Machines Secures \$12.8 Million Defense Order Supplying Strategic Logix's RRSI Drone Systems," press release, September 30, 2025, <https://www.unusualmachines.com/press-release/?i=158122>.

¹² Financial Times, "Donald Trump Jr-backed start-up scores \$600mn US federal government deal," Alex Rogers and Joe Miller, December 3, 2025, https://www.ft.com/content/952f37ba-78b4-42a4-8d1b-2258de65f2c0?accessToken=zwAGRSMj8F2YkdOVLze6eLRCpNONGyJY3mXyWwA.MEQCIGDFazRBTOYa5ztzpUJ1XwZ2wQbKAtqlpuHmg2xpF4uRAiAiyNs3PSPKxikJ9OjH8vteYQuKapHKftA_-7Xpnb7yQ&sharetype=gif&token=c972ce7e-89c9-4cfb-b282-e845b5d2d3ab.

¹³ *Id.*

and the loan itself was more than twice as large as the entire company's valuation.¹⁵ Both Vulcan and DoD officials have denied that Mr. Trump had any involvement in "any aspect" of the loan discussion – but this arrangement, and given the scope of Mr. Trump's business dealings, other "contracts raise new questions about conflicts of interest at the heart of the Trump administration."¹⁶

Several of the companies connected to Mr. Trump had reportedly never received such large DoD contracts prior to 2025. Unusual Machines' September contract was its largest DoD contract,¹⁷ as was Vulcan Elements \$620 million loan.¹⁸

These contracts and loans were awarded following reports that Mr. Trump Jr. played a role in "help[ing] screen candidates for top jobs at the Pentagon on behalf of his father after the [2024] election."¹⁹ During this process, Mr. Trump Jr. reportedly checked whether candidates supported his own personal investment priorities, including looking "for candidates who wanted to spend more on drones."²⁰

DoD has provided little transparency into the process by which Trump Jr.-connected companies received hundreds of millions of dollars in DoD contracts and loans, or which individuals at DoD were involved in determining the priority areas for awards or the award recipients. But experts have indicated the potential concerns associated with Mr. Trump Jr's arrangements: according to Kedric Payne of the Campaign Legal Center, "[w]hile we do not know for certain if, or how, the president may have influenced this loan, it falls under the cloud of conflicts of interest we have seen throughout this administration."²¹

Indeed, Mr. Trump Jr. himself has alluded to the connections between 1789 Capital and the Administration, indicating that "We understand what the administration wants to do, because we helped craft some of that messaging... So we can be on the outside but still have that understanding of what they plan to do."²²

¹⁴ Bloomberg, "Malik's 1789 Said to Back Defense, Rare-Earth Magnet Startups," Annie Massa, August 26, 2025, <https://www.bloomberg.com/news/articles/2025-08-26/malik-s-1789-said-to-back-defense-rare-earth-magnet-startups>.

¹⁵ Vulcan Elements, "Vulcan's Series A," August 13, 2025, <https://vulcanelements.com/vulcans-series-a/>.

¹⁶ Financial Times, "Donald Trump Jr-backed start-up scores \$600mn US federal government deal," Alex Rogers and Joe Miller, December 3, 2025, https://www.ft.com/content/952f37ba-78b4-42a4-8d1b-2258de65f2c0?accessToken=zwAGRSMj8F2YkdOVLze6eLRCpNONGyJY3mXywA.MEQCIGDFazRBTOYa5ztzpUJ1XwZ2wQbKAtqlpuHmg2xpF4uRAiAiyNs3PSpPKxikJ9OjH8vteYQuKapHKftA_-7Xpnb7yQ&sharetype=gift&token=c972ce7e-89c9-4cfb-b282-e845b5d2d3ab.

¹⁷ *Id.*

¹⁸ *Id.*; Defense News, "Vulcan Elements wins Pentagon deals as \$65M round fuels expansion," Jen Judson, August 25, 2025, <https://www.defensenews.com/industry/2025/08/25/vulcan-elements-wins-pentagon-deals-as-65m-round-fuels-expansion/>.

¹⁹ The New York Times, "Trump's Son Is Poised to Profit From Pentagon Drone Proposal," Eric Lipton, October 24, 2025, <https://www.nytimes.com/2025/10/24/us/politics/trump-drones-pentagon.html>.

²⁰ Popular Information, "UPDATE: Trump Jr.-backed startup receives \$620 million Pentagon loan," Rebecca Crosby and Noel Sims, December 4, 2025, https://popular.info/p/update-trump-jr-backed-startup-receives/?r=bgo2&utm_medium=ios&triedRedirect=true.

²¹ Common Dreams, "Yet Another Trump Jr.-Backed Company Receives Massive Pentagon Deal," Brad Reed, December 4, 2025, <https://www.commondreams.org/news/donald-trump-jr-pentagon>.

We have held longstanding concerns over financial conflicts of interest in how DoD awards taxpayer dollars. In 2020, Senator Warren reintroduced the *Anti-Corruption and Public Integrity Act* to strengthen ethics laws and crackdown on government officials' conflicts of interest across the government.²³ Senator Warren also introduced the *Department of Defense Ethics and Anti-Corruption Act* in 2019 to limit the influence of contractors on the military, constrain foreign influence on retired senior military officers, and assert greater transparency over contractors and their interaction with DoD.²⁴ And since OSC's inception during the Biden administration I raised concerns that DoD was relying on consultants who continued to work for private investment firms that would benefit from their advice,²⁵ as special government employees (SGEs) are exempt from some ethics laws that apply to federal employees to prevent conflicts of interest.²⁶ Senator Warren also introduced the *SGE Ethics Enforcement & Reform Act* to strengthen transparency and ethics requirements for SGEs,²⁷ as well as continuously fought for ethics commitments for federal employees, including recusals from former employees.²⁸ Senator Blumenthal has also expressed similar concerns; during the early days of the second Trump Administration, Senator Blumenthal launched an investigation into six companies owned and controlled by Elon Musk—Tesla, SpaceX (owner of Starlink), X, xAI, The Boring Company, and Neuralink—after the companies failed to answer basic questions about Mr. Musk's glaring conflicts of interest as he simultaneously raked in billions in the private sector and heads up activities at the Department of Government Efficiency (DOGE).²⁹

²² The New York Times, "Donald Trump Jr. Pitches 'Patriotic Capitalism' at Saudi Summit," Kate Kelly, October 29, 2025, <https://www.nytimes.com/2025/10/29/business/donald-trump-jr-1789-capital-saudi-arabia.html>.

²³ U.S. Senator Elizabeth Warren, "Warren and Jayapal Reintroduce the Anti-Corruption & Public Integrity Act," press release, December 18, 2020, <https://www.warren.senate.gov/newsroom/press-releases/warren-and-jayapal-reintroduce-the-anti-corruption-and-public-integrity-act>.

²⁴ Senator Elizabeth Warren, "Senator Warren Introduces New Legislation to Strengthen Ethics and Transparency at the Defense Department," press release, May 16, 2019, <https://www.warren.senate.gov/newsroom/press-releases/senator-warren-introduces-new-legislation-to-strengthen-ethics-and-transparency-at-the-defense-department>.

²⁵ Vox, "The thorny ethical issues of the Pentagon partnering with the private sector," Jonathan Guyer, April 28, 2023, <https://www.vox.com/politics/2023/4/28/23698006/pentagon-investing-capital-ethical-gray-areas-consulting>.

²⁶ The Department of Defense, Standards of Conduct Office, "An ethics guide for special government employees, including consultants and experts (such as advisory committee members)," p. 3, https://dbb.defense.gov/Portals/35/Documents/Misc_Documents/SGE_Re-appointments/2020%20SGE%20Guide%20with%20cert.pdf?ver=bWgfj-j-VGrjYyDqBunFEA%3D%3D.

²⁷ Senator Elizabeth Warren, "Warren, Stansbury, Democratic Leaders Introduce Bill to Rein in Musk, Special Government Employees (SGEs)," press release, April 14, 2025, <https://www.warren.senate.gov/newsroom/press-releases/warren-stansbury-democratic-leaders-introduce-bill-to-rein-in-musk-special-government-employees-sges>.

²⁸ Senator Elizabeth Warren, "Warren Secures Unprecedented Ethics Commitments from OECD Ambassador Nominee; former Congressman Sean Patrick Maloney Pledges Not to Work for Crypto Firms for Four Years After Government Service," press release, February 14, 2024, <https://www.warren.senate.gov/newsroom/press-releases/warren-secures-unprecedented-ethics-commitments-from-oecd-ambassador-nominee-former-congressman-sean-patrick-maloney-pledges-not-to-work-for-crypto-firms-for-four-years-after-government-service>.

²⁹ Senator Richard Blumenthal, "Blumenthal Hits Back at Musk Companies for Failing to Manage DOGE Leader's Glaring Conflicts of Interest," press release, February 25, 2025, <https://www.blumenthal.senate.gov/newsroom/press/release/blumenthal-hits-back-at-musk-companies-for-failing-to-manage-doge-leaders-glaring-conflicts-of-interest>.

We are concerned about the conflicts of interest of President Trump, his family, other administration officials, and any potential favoritism resulting in a waste of taxpayer dollars and a threat to national security.

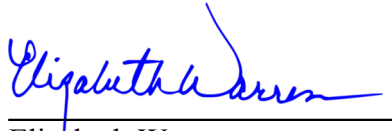
As part of ongoing Congressional oversight on conflicts of interest potentially affecting contracting decisions at DoD and to inform ongoing legislative work to strength anti-corruption safeguards, please provide answers to the following questions by February 5, 2026:

1. What are OSC's criteria for awarding loans, and how does OSC weight these criteria in making loan decisions?
2. With regard to the Vulcan Elements loan specifically, how did DoD's OSC office decide to award the company this \$600 million loan?
 - a. Was this a competitive process?
 - b. If so, what were the criteria used to determine which company would receive the loan?
 - c. How many companies competed for this loan?
 - d. Was Vulcan Elements the highest rated competitor?
 - e. If not, which company was rated higher, and why did they not receive the loan?
3. Please provide a list of all DoD officials that were screened or otherwise questioned by Donald Trump Jr. prior to their appointment at DoD.
4. Were any of those officials involved in contract or loan decisions related to companies owned by 1789 Capital or any other company in which Mr. Trump, Jr. had a financial interest?
5. Please provide a list of all meetings, calls, and correspondence DoD officials have had with Donald Trump Jr. from November 5, 2024, to present day.
6. Please list all meetings, calls, and correspondence DoD officials have had with 1789 Capital employees from November 5, 2024, to present day.
7. Please provide a list of each DoD contract awarded to Vulcan Elements.
8. Please provide a list of each DoD contract awarded to Unusual Machines.
 - a. Was the award process for each contract awarded to Unusual Machines a competitive process?
 - b. If so, what were the criteria used to determine which company would receive a DoD contract?
 - c. How many companies competed for each DoD contract awarded to Unusual Machines?
 - d. Was Unusual Machines the highest rated competitor for each contract?
 - e. If not, which company was rated higher, and why did they receive the loan?
9. Please provide a list of each DoD contract awarded to Cerebras Systems.
 - a. Was the award process for each contract awarded to Cerebras Systems a competitive process?
 - b. If so, what were the criteria used to determine which company would receive a DoD contract?
 - c. How many companies competed for each DoD contract awarded to Cerebras Systems?
 - d. Was Cerebras Systems the highest rated competitor for each contract?
 - e. If not, which company was rated higher, and why did they receive the loan?

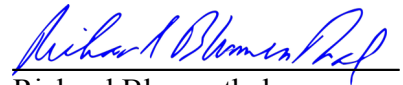
10. Please provide a list of each DoD contract awarded to Psi Quantum.
 - a. Was the award process for each contract awarded to Psi Quantum a competitive process?
 - b. If so, what were the criteria used to determine which company would receive a DoD contract?
 - c. How many companies competed for each DoD contract awarded to Psi Quantum?
 - d. Was Psi Quantum the highest rated competitor for each contract?
 - e. If not, which company was rated higher, and why did they receive the loan?
11. Please provide a list of each DoD contract awarded to Firehawk Aerospace.
 - a. Was the award process for each contract awarded to Firehawk Aerospace a competitive process?
 - b. If so, what were the criteria used to determine which company would receive a DoD contract?
 - c. How many companies competed for each DoD contract awarded to Firehawk Aerospace?
 - d. Was Firehawk Aerospace the highest rated competitor for each contract?
 - e. If not, which company was rated higher, and why did they receive the loan?
12. Did any conversations about the production of drones or drone parts between Secretary Hegseth or his representatives and Donald Trump Jr. occur leading up to Secretary Hegseth's confirmation?
 - a. If conversations between Secretary Hegseth or his representatives and Donald Trump Jr. occurred leading up to Secretary Hegseth's confirmation, please detail the date[s] and content[s] of the conversation[s] and who else participated.
13. Did any conversations about the production of drones or drone parts between Secretary Hegseth or his representatives and Donald Trump Jr. occur leading up to Secretary Hegseth's directive titled "Unleashing U.S. Military Drone Dominance"?
 - a. If conversations between Secretary Hegseth or his representatives and Donald Trump Jr. occurred leading up to Secretary Hegseth's "Unleashing U.S. Military Drone Dominance" directive, please detail the date[s] and content[s] of the conversation[s] and who else participated.
14. What was Donald Trump Jr.'s role in vetting candidates for top DoD positions?
15. How much input did Donald Trump Jr. have in the decision making behind selection candidates for top DoD positions?
16. Please detail the conversations DoD had with Donald Trump Jr. about selecting candidates for top DoD positions, when they were discussed, and with whom.
17. How does DoD advise OSC or other procurement officials on their ethics obligations, including limits on engaging with companies closely tied to presidential administrations?

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Richard Blumenthal
United States Senator



Andy Kim
United States Senator