Congress of the United States

Washington, DC 20515

June 11, 2025

President Donald J. Trump The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear President Trump,

As Elon Musk returns to the private sector after leaving his official government service, we write regarding the failures of your Administration and DOGE—and to provide you with a set of recommendations that would eliminate \$2 trillion in wasteful government spending without incurring harm on essential government programs that lower costs for millions of Americans.¹

Reports indicate that you recently asked aides, "Was it all bullshit?" as you questioned "whether Musk could have ever come close to the cuts he promised to carry out through the Department of Government Efficiency."² The answer is obvious: it was. Mr. Musk's efforts at DOGE were never truly about cutting waste. Under the guise of streamlining government spending, DOGE pushed reckless policies that gutted essential services and ousted experienced civil servants, all while reducing oversight and increasing profits for Mr. Musk's companies.³ As you seek to pass multi-trillion-dollar tax cuts for the rich—only partially paid for by cutting off millions of Americans from their health insurance-DOGE's failures become even more stark. Mr. Musk himself has said he was "disappointed to see the massive spending bill, frankly, which increases the budget deficit, doesn't decrease it, and undermines the work that the DOGE team is doing."⁴ In the same interview, he acknowledged the public backlash against the grievous harm DOGE has inflicted on the American public and economy, threatening dozens of key government programs, including Social Security.⁵

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¹ Letter from Senator Warren to Elon Musk, January 23, 2025,

https://www.warren.senate.gov/imo/media/doc/letter to doge rerecommendationstosave2trillionoverthenext10vears

^{.&}lt;u>pdf</u>. ² Wall Street Journal, "Inside Trump and Musk's Complicated Relationship," Josh Dawsey, Annie Linskey, and Dana Mattioli, May 30, 2025, https://www.wsj.com/politics/policy/trump-elon-musk-relationship-64773ad1? gaa at=eafs&gaa n=ASWzDAi0SgJaragfeAnwEwmQiZslbVaZllC30Eg30kipPET91UujGCY9IzMwVQUiv28%3

<u>GgDT34t5dAGEmo3IzqY49HED8tqtnhIVwwHApE4VT6ifBmDc2jjd-2AxahXg%3D%3D</u>.

³ Permanent Subcommittee on Investigations Minority Staff, "Calculating Risk: Estimating the Legal Liability Elon Musk May Avoid Through His Government Takeover," memorandum, April 27, 2025,

https://www.hsgac.senate.gov/wp-content/uploads/2025-04-27-Minority-Staff-Memorandum-Elon-Musk-Conflicts.pdf.

⁴ CBS News, "Elon Musk on DOGE and why he doesn't want to 'take responsibility for everything the administration's doing," David Pogue, June 1, 2025, https://www.cbsnews.com/news/elon-musk-on-doge-trumpadministration-and-responsibility-for-cuts/.

It did not have to be this way. In January 2025, Senator Warren sent Mr. Musk a list of 30 recommendations that would save the U.S. government more than \$2 trillion over the next decade.⁶ Mr. Musk ignored these recommendations—but you could choose to reverse course, abandon Mr. Musk's inefficient and harmful DOGE actions, and instead carefully review and implement our policy proposals.

DOGE Failed to Identify and Eliminate Waste, Fraud, and Abuse, Increasing Costs and Suffering for Americans

On November 12, 2024, you tapped Elon Musk to head DOGE with an agenda to "dismantle Government Bureaucracy, slash excess regulations, cut wasteful expenditures, and restructure Federal Agencies" to "[make] life better for all Americans."⁷ Mr. Musk promised to eliminate \$2 trillion of the \$7 trillion federal budget, before lowering this estimate to \$1 trillion, and then all the way down to \$150 billion—7.5% of his original promise.⁸ Mr. Musk left government service late last month, acknowledging that "it [was] an uphill battle" to cut spending—and that your "Big Beautiful Bill" would make matters even worse.⁹

But Elon Musk was never after the real waste in government spending. Beginning on January 20, 2025, you and Mr. Musk unleashed DOGE on the federal government. Since then, DOGE's actions have imposed a heavy cost on Americans: instead of identifying and eliminating waste, fraud, and abuse, they recklessly cut food safety inspectors, nuclear experts, and staff at the Social Security Administration, the Education Department, the Consumer Financial Protection Bureau, and countless agencies and programs on which Americans rely.¹⁰ DOGE's ransacking of government data has compromised Americans' privacy and access to services.¹¹ In a futile search for fraud in the wrong places, and an ill-informed effort to slash the federal workforce, DOGE has imposed more costs on American taxpayers than it has saved, all while helping Elon Musk's business empire and DOGE employees' pockets.¹²

⁶ Letter from Senator Warren to Elon Musk, January 23, 2025,

d33cdd7872d64d2bdd8fe70c28652654.

https://www.warren.senate.gov/imo/media/doc/letter_to_doge_rerecommendationstosave2trillionoverthenext10years .pdf.

⁷ NPR, "Trump taps Musk to lead a 'Department of Government Efficiency' with Ramaswamy," Elena Moore, Camila Domonoske, and Jeongyoon Han, November 12, 2024, <u>https://www.npr.org/2024/11/12/g-s1-33972/trump-elon-musk-vivek-ramaswamy-doge-government-efficiency-deep-state</u>.

⁸ MSNBC, "Reality gets in the way of Elon Musk's latest misguided boast," Steve Benen, April 14, 2025, <u>https://www.msnbc.com/rachel-maddow-show/maddowblog/reality-gets-way-elon-musks-latest-misguided-boast-rcna201113</u>.

 ⁹ Washington Post, "Back at SpaceX, Musk says in interview DOGE became D.C.'s 'whipping boy," Christian Davenport, May 27, 2025, <u>https://www.washingtonpost.com/business/2025/05/27/elon-musk-spacex-starship-doge/</u>.
¹⁰ AP News, "A comprehensive look at DOGE's firings and layoffs so far," Meg Kinnard, February 21, 2025, <u>https://apnews.com/article/doge-firings-layoffs-federal-government-workers-musk-</u>.

¹¹ Office of Senator Elizabeth Warren, "New Social Security Data Reveals Musk, DOGE Lied in Claims of Social Security Fraud," press release, May 15, 2025, <u>https://www.warren.senate.gov/newsroom/press-releases/new-social-security-data-reveals-musk-doge-lied-in-claims-of-social-security-fraud</u>; Letter from Senator Warren to the Department of Education, February 26, 2025,

https://www.warren.senate.gov/imo/media/doc/warren_letter_to_doge_re_privacy_concerns.pdf.

¹² Permanent Subcommittee on Investigations Minority Staff, "Calculating Risk: Estimating the Legal Liability Elon Musk May Avoid Through His Government Takeover," memorandum, April 27, 2025,

https://www.hsgac.senate.gov/wp-content/uploads/2025-04-27-Minority-Staff-Memorandum-Elon-Musk-Conflicts.pdf; Letter from Senators Warren, Wyden, and Reed to Attorney General Bondi, Acting Director Greer,

In late February, the DOGE website claimed to have cut \$55 billion in annual federal spending. However, its "wall of receipts" only showed \$16.5 billion in cuts, and investigative reporting by the New York Times determined that the real number was even smaller: when taking into account false contract cancellations, a typo mistaking \$8 million for \$8 billion, counting the same reform three times, and the inclusion of contracts that had expired decades ago, DOGE's real savings stood at just \$2 billion—or less than 0.03% of the federal budget.¹³

DOGE did not just fail to meet cost-cutting goals; Mr. Musk's actions to slash up to 10% of the federal workforce created "exponentially larger waste."¹⁴ According to a study by the Partnership for Public Service, in total, the "firings, re-hirings, lost productivity and paid leave of thousands of workers will cost upward of \$135 billion this fiscal year."¹⁵ Indeed, for "each probationary worker [that] DOGE idled, the government lost thousands of dollars it spent on recruitment, hiring incentives, security clearances and training, an investment normally recouped over years of service. In one case, a fired probationary employee with the Department of Health and Human Services received a pay raise after she was reinstated and put on paid leave."¹⁶ Another study found that DOGE firings at the Internal Revenue Service (IRS) alone will cost about \$8.5 billion in revenue in 2026.¹⁷

Even when DOGE may have identified cuts to the federal budget, they appear not to have followed the law in doing so: "in at least six cases, a federal judge ruled that the executive branch overstepped its bounds by cutting congressionally mandated spending and ordered the resumption of federal funding."¹⁸ And Elon Musk and DOGE representatives may have violated the criminal conflicts-of-interest law by engaging in policy decisions that would impact their personal financial holdings.¹⁹

Ms. Sciurba, Ms. Hill, and Mr. Gibson, May 28, 2025,

<u>https://www.warren.senate.gov/imo/media/doc/letter_from_senators_warren_wyden_reed_to_doj_oge_oigs_redogec</u> <u>onflicts.pdf</u>; New York Times, "What Elon Musk Didn't Budget For: Firing Workers Costs Money, Too," Elizabeth Williamson, April 24, 2025, <u>https://www.nytimes.com/2025/04/24/us/politics/musk-cuts.html</u>.

¹³ New York Times, "DOGE's Only Public Ledger Is Riddled With Mistakes," Aatish Bhatia, Emily Badger, David A. Fahrenthold, Josh Katz, Margot Sanger-Katz, and Ethan Singer, February 28, 2025,

https://www.nytimes.com/2025/02/21/upshot/doge-musk-trump-errors.html; NPR, "DOGE released data about federal contract savings. It doesn't add up," Stephen Fowler, February 19, 2025, <u>https://www.npr.org/2025/02/19/nx-s1-5302705/doge-overstates-savings-federal-contracts</u>.

¹⁴ CBS News, "What have Elon Musk and DOGE accomplished 100 days into the Trump administration?" Joe Walsh, April 29, 2025, <u>https://www.cbsnews.com/news/100-days-of-doge-elon-musk-trump/</u>; New York Times, "What Elon Musk Didn't Budget For: Firing Workers Costs Money, Too," Elizabeth Williamson, April 24, 2025, <u>https://www.nytimes.com/2025/04/24/us/politics/musk-cuts.html</u>.

 ¹⁵ New York Times, "What Elon Musk Didn't Budget For: Firing Workers Costs Money, Too," Elizabeth Williamson, April 24, 2025, <u>https://www.nytimes.com/2025/04/24/us/politics/musk-cuts.html</u>.
¹⁶ *Id*.

¹⁷ Id.

 ¹⁸ New York Times, "The DOGE Playbook Targeting Federal Agencies," Eli Murray, June Kim, and Jeremy White, March 27, 2025, <u>https://www.nytimes.com/interactive/2025/03/27/us/politics/doge-playbook-musk-cuts.html</u>.
¹⁹ Letter from Senators Warren, Wyden, and Reed to Attorney General Bondi, Acting Director Greer, Ms. Sciurba, Ms. Hill, and Mr. Gibson, May 28, 2025,

https://www.warren.senate.gov/imo/media/doc/letter_from_senators_warren_wyden_reed_to_doj_oge_oigs_redogec_onflicts.pdf.

Finally, beyond the federal budget, your Administration has increased costs for Americans in dozens of ways by stripping away government price-gouging protections.²⁰ The Trump Administration, at DOGE's direction, has abandoned and reversed key policies designed to target abusive fees charged by businesses across the economy. For example, the Trump Administration rolled back a rule to cap unreasonable credit card late fees, which would have saved American households about \$10 billion annually;²¹ and the administration is seeking to reverse efficiency standards on appliances, a move that will ultimately drive up Americans' utility bills by over \$600 million annually.²² These DOGE-influenced regulatory reversals will only "pile more costs on to individual Americans."²³

Our Recommendations to Cut Over \$2 Trillion in Government Over the Next Decade

DOGE's failures, and its pursuit of such harmful and ineffective ways to cut the costs of government spending stand out even more starkly in the face of the missed opportunities for savings and reform. On January 23, 2025, Senator Warren sent Mr. Musk a list of 30 recommendations to reduce spending on wasteful programs and contracts, cut out unfair loopholes and giveaways to the wealthiest Americans, make the government more efficient and effective, and save taxpayers at least \$2 trillion over the next decade—without wrecking basic government services, damaging the economy, or hurting middle-class families.²⁴

Although Mr. Musk and DOGE have failed at achieving their purported savings goals, you could choose to end this government waste while avoiding dangerous cuts to important federal programs. To do so, we again refer you to the list of policy options Senator Warren provided Mr. Musk in January, which we have attached to this letter. These include:

• <u>Cracking down on healthcare profiteering.</u> Your giant tax-cut legislation moving through Congress would result in millions of Americans losing access to their health insurance coverage.²⁵ Our recommendations would provide savings without cutting off access to Medicare, Medicaid, or any other health insurance program. Giant health care conglomerates are cheating the government on health care costs—and there is bipartisan support for ending this abuse. For example, you have referred to Pharmacy Benefit Managers (PBMs) as "famous middlemen" that "rip[] off Medicare patients with high prescription prices,"²⁶ and Senator Warren's bipartisan bill, the *Patients Before*

²⁰ New York Times, "How Trump's Regulatory Rollbacks Are Increasing Costs on Americans," Coral Davenport and Stacy Cowley, May 30, 2025, <u>https://www.nytimes.com/2025/05/30/us/politics/doge-cuts-elon-musk-trump.html</u>.

²¹ Id.

²² Id.

²³ Id.

²⁴ Letter from Senator Warren to Elon Musk, January 23, 2025,

https://www.warren.senate.gov/imo/media/doc/letter_to_doge_rerecommendationstosave2trillionoverthenext10years .pdf.

²⁵ Center on Budget and Policy Priorities, "By the Numbers: House Bill Takes Health Coverage Away From Millions of People and Raises Families' Health Care Costs," May 23, 2025,

https://www.cbpp.org/research/health/by-the-numbers-house-bill-takes-health-coverage-away-from-millions-of-people-and.

²⁶ Trump White House, "Remarks by President Trump on Delivering Lower Prescription Drug Prices for All Americans," November 20, 2020 <u>https://trumpwhitehouse.archives.gov/briefings-statements/remarks-president-trump-delivering-lower-prescription-drug-prices-americans/</u>.

Monopolies (PBM) Act, would put an end to these abuses. You have also voiced support for another one of our proposals to cut wasteful spending in the health care space: Medicare price negotiations.²⁷ In total, our recommendations to crack down on waste, fraud, and abuse in federal health care spending and to expand programs to lower drug prices would save American taxpayers **roughly 1.5 trillion dollars over the next decade.**

- <u>Negotiating better contracts for the Department of Defense (DoD).</u> In 2023, the DoD spent \$440.7 billion on contracts—and giant contractors overcharge us on nearly everything.²⁸ For example, the Air Force pays nearly 8,000% more on soap dispensers than regular Americans do,²⁹ and the Army pays \$71 for pins that should cost less than a nickel.³⁰ Our recommendations on Defense spending alone would save nearly \$200 billion over the next 12 years.
- <u>Saving on education programs.</u> DOGE and the Trump Administration are attempting to dismantle the Department of Education (ED),³¹ which has had devastating impacts on students, educators, and families across the country. You should abandon this policy and restore important ED programs immediately—and instead focus on eliminating waste, fraud, and abuse in federal charter school programs³² and end federal support for for-profit schools.³³ Our recommendations to cut wasteful spending on education programs would save the government **nearly \$30 billion over the next decade.**
- <u>Cutting waste and abuse in the federal tax code</u>. Hedge funds and private equity companies use loopholes to avoid paying anywhere between \$1.4 billion and \$18 billion each year.³⁴ By closing just one big estate tax exemption loophole abused by the ultrarich, the U.S. government could save \$60 billion per year.³⁵ You should close those

²⁷ Politico, "Trump backs Medicare negotiating drug prices," Politico Pro Staff, January 25, 2016, https://www.politico.com/story/2016/01/trump-backs-medicare-negotiating-drug-prices-218215.

²⁸ Department of Defense, Office of Local Defense Community Cooperation, "Defense Spending by State, Fiscal Year 2023, Executive Summary," October 15, 2024, p. 1,

https://oldcc.gov/sites/default/files/OLDCC_DSBS_FY2023_ExecutiveSummary_May2024-Revised.pdf. ²⁹ Military.com, "Air Force Overcharged 7,943% for C-17 Hand Soap Dispensers, Watchdog Finds," Thomas Novelly, October 30, 2024, <u>https://www.military.com/daily-news/2024/10/30/air-force-overcharged-7943-c-17-hand-soap-dispensers-watchdog-finds.html</u>.

³⁰ Project On Government Oversight, "Leaked Audit: Boeing Overcharged Army Up to 177,000 Percent on Helicopter Spare Parts," Nick Schwellenbach, June 28, 2011 <u>https://www.pogo.org/investigations/leaked-audit-boeing-overcharged-army-up-to-177000-percent-on-helicopter-spare-parts</u>.

³¹ Executive Order 14242, "Improving Education Outcomes by Empowering Parents, States, and Communities," March 20, 2025, <u>https://www.federalregister.gov/documents/2025/03/25/2025-05213/improving-education-outcomes-by-empowering-parents-states-and-communities</u>.

³² The Washington Post, "Report: Federal government wasted millions of dollars on charter schools that never opened," Valerie Strauss, December 9, 2019, <u>https://www.washingtonpost.com/education/2019/12/09/report-federal-government-wasted-millions-dollars-charter-schools-that-never-opened/</u>.

³³ Annenberg Institute, "For-Profit Colleges in the United States: Insights from Two Decades of Research," Stephanie Riegg Cellini, May 2021, <u>https://edworkingpapers.com/ai21-398</u>.

³⁴ Americans for Financial Reform, "Fact Sheet: Close the carried interest loophole that is a tax dodge for super-rich private equity executives," October 14, 2021, <u>https://ourfinancialsecurity.org/2021/10/close-the-carried-interest-loophole-that-is-a-tax-dodge-for-super-rich-private-equity-executives/</u>.

³⁵ Joint Committee on Taxation, "Estimates Of Federal Tax Expenditures For Fiscal Years 2024-2028," JCX-48-24, December 11, 2024, <u>https://www.jct.gov/publications/2024/jcx-48-24/</u>.

loopholes—and fully fund the IRS to help catch wealthy tax cheats, leading to a 12:1 return on investment.³⁶ In total, our recommendations would save the U.S. government over **\$1 trillion over the next decade.**

- <u>Keeping the Federal government's cloud and other IT markets competitive</u>. A huge amount of government waste occurs when Big Tech companies make it difficult or expensive for the government to switch to competitors, because the companies can then extract higher prices for less efficient service.³⁷ If "the government used meaningful competition to mitigate vendor-lock and improve price performance by only 5 percent, it could generate savings of between \$500 and \$750 million annually"³⁸—or \$5 billion to \$7.5 billion over the next decade._
- <u>Reducing waste in unnecessary federal arrests and detention programs.</u> The government spends billions of dollars each year on unnecessary federal enforcement actions and detention, like costly marijuana arrests despite the fact that almost half of states have legalized recreational marijuana,³⁹ imprisoning elderly and terminally ill patients who pose little risk to public safety,⁴⁰ and incarcerating people for minor technical violations of probation and parole.⁴¹ By ending these practices, the government could save **billions of dollars**.

In total, our recommendations would save the U.S. government more than \$2 trillion over the next decade. Meanwhile, your tax cuts for the ultra-wealthy would cost U.S. taxpayers \$4 trillion

https://csgjusticecenter.org/publications/confined-costly/.

³⁶ National Bureau of Economic Research, "A Welfare Analysis of Tax Audits Across the Income Distribution," William C. Boning, Nathaniel Hendren, Ben Sprung-Keyser, and Ellen Stuart, June 2023,

https://www.nber.org/papers/w31376; The Budget Lab, "Clausing-Sarin: Conventional Revenue Score," April 12, 2024, https://budgetlab.yale.edu/research/clausing-sarin-conventional-revenue-score#:~:text=Increase%20IRS %20funding,119.

 <u>%20funding,119</u>.
³⁷ Garland Management Consulting, "Vendor-lock and Lack of Competition in the Government's Software Estate," report, Michael Garland, January 2023, <u>https://netchoice.org/wp-content/uploads/2023/01/NetChoice_Garland_The-Pernicious-Consequences-of-Vendor-Lock.pdf</u>.

³⁸ Garland Management Consulting, "Vendor-lock and Lack of Competition in the Government's Software Estate," report, Michael Garland, January 2023,

https://netchoice.org/wp-content/uploads/2023/01/NetChoice_Garland_ThePernicious-Consequences-of-Vendor-Lock.pdf.

³⁹ CBS News, "Maps show states where weed is legal for recreational, medical use in 2024," Kerry Breen and Taylor Johnston, May 17, 2024, <u>https://www.cbsnews.com/news/legal-weed-map-states/#:~:text=As%20of</u> <u>%20April%202024%2C%20recreational,to%20the%20Pew%20Research%20Center</u>; NORML, "FBI: Nearly One Quarter of All Drug-Related Arrests Are for Marijuana Possession," September 25, 2024,

https://norml.org/blog/2024/09/25/fbi-nearly-one-quarter-of-all-drug-related-arrests-are-for-marijuana-possession/. ⁴⁰ Bureau of Justice Statistics, "Federal Prisoner Statistics Collected Under the First Step Act, 2023," report,

November 2023, p. 2, <u>https://bjs.ojp.gov/document/fpscufsa23.pdf;</u> American Bar Association, "Broken and Underutilized: Understanding Compassionate Release Programs for Older Adult Prisoners," Megan Horner, January 19, 2023, <u>https://www.americanbar.org/groups/law_aging/publications/bifocal/vol44/bifocal-vol-44-issue3/broken-and-underutilized-understanding-compassionate-release/</u>.

⁴¹ NCSL, "Legislative Primer Series on Community Supervision: Limiting Incarceration in Response to Technical Violations," brief, June 29, 2022, <u>https://www.ncsl.org/civil-and-criminal-justice/community-supervision-limiting-incarceration-in-response-to-technical-violations;</u> CSG Justice Center, "Confined and Costly: How Supervision Violations Are Filling Prisons and Burdening Budgets," June 2019, https://angiusticagentus.com/civil-angiustical-violations/

over the same period.⁴² It is time to eliminate the real waste, fraud, and abuse in government spending, rather than ravaging programs that keep Americans safe, secure, and healthy just to pay for tax cuts for billionaires and large corporations. The full set of our recommendations can be found in the letter Senator Warren sent on January 23, 2025, which we have attached for your convenience. You should learn from Elon Musk and DOGE's mistakes, end your attacks on critical federal programs, and instead act on these recommendations.

Sincerely,

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Elizabeth Warren United States Senator

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Melanie Stansbury Member of Congress

⁴² Center for American Progress, "Permanently Extending the Trump Tax Cuts Would Cost \$4 Trillion Over the Next Decade," Bobby Kogan and Jessica Vela, May 8, 2024, <u>https://www.americanprogress.org/article/permanently-extending-the-trump-tax-cuts-would-cost-4-trillion-over-the-</u>