Alleged USAID Probe Into Starlink Raises Elon Musk Conflict Concerns

By

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USAID was investigating its relationship with Starlink just months before tech billionaire Elon Musk attempted to shut the agency down, according to reports.

The freezes and cuts to the foreign aid department, spearheaded by Musk as head of the Department of Government Efficiency (DOGE), raise questions of a potential conflict of interest, as Musk is the owner of Starlink, a subsidiary of his company SpaceX.

Newsweek contacted Elon Musk and Starlink through SpaceX via email.

Why It Matters

Fears that Musk and others could use their positions in government to benefit themselves have been around since President Donald Trump won the 2024 election. The move to dismantle USAID is the first major policy decision Musk has made, and the way it is handled will be indicative of how powerful he will be over the next four years.

What To Know

During a hearing at the House Foreign Affairs Subcommittee on Oversight and Accountability in September, USAID Inspector General Paul K. Martin told Congress that the agency was examining its relationship with Starlink, one of Musk's most prominent tech ventures.

In 2022, USAID and Starlink collaborated to provide 5,000 Starlink terminals to Ukraine, to give the country fighting Russian invasion access to Musk's advanced internet system, operated through SpaceX, as reported by *The Lever*.

"In addition to another ongoing audit on direct budget support, we are examining USAID's Energy Security Project, USAID's oversight of Starlink Satellite Terminals provided to the Ukrainian government, and USAID's efforts to protect against sexual exploitation and abuse in Ukraine," Martin told Congress.

"When completed, we look forward to sharing the findings of these reports with the subcommittee."

However, one of Musk's first moves as DOGE chief has been to dismantle USAID, convincing the Trump administration that the agency is a waste of federal spending and not fit for purpose.

This raises a potential conflict of interest, as Musk's company was under investigation by USAID shortly before he began calling for the shutdown. Starlink's activity in Eastern Europe has been criticized, with many Russian operatives claiming to have access to Starlink despite Musk's assurances that only Ukraine was using the service.

Additionally, in September last year, Ukrainian forces downed a Russian drone that had a Starlink terminal integrated with its systems, raising questions as to how secure Starlink's operations during the Ukraine war are.

What People Are Saying

President Trump told reporters on Sunday: "USAID has been run by a bunch of radical lunatics and we're getting them out and then we'll make a decision."

Musk said on a livestream on Monday: "As we dug into USAID, it became apparent that what we have here is not an apple with a worm it in but that we have actually just a ball of worms. USAID is a ball of worms, there is no apple. And when there is no apple... you've just got to basically get rid of the whole thing. That is why it's got to go. It's beyond repair."

What Happens Next

Musk is continuing to identify ways to reduce federal spending, though Democrats are expected to mount an opposition to the USAID shutdown.

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