

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

February 13, 2025

The Honorable Mark Uyeda
Acting Chair
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Dear Acting Chair Uyeda,

I am writing to express my grave concerns regarding Elon Musk's Department of Government Efficiency (DOGE) and its potential to negatively impact the U.S. Securities and Exchange Commission (SEC). DOGE's actions could have serious ramifications for the well-functioning of the SEC and its ability to effectively carry out its mission of protecting investors and ensuing fair and orderly markets. I ask you to respond to these matters with the utmost urgency.

1. Reported Misuse of Power, Sensitive Information, and Violations of Constitutional Norms by DOGE

Elon Musk and his DOGE team have been raiding federal agencies, gaining unauthorized access to sensitive systems, and potentially compromising the security and privacy of classified government and personal identifiable information (PII).¹ Reports indicate that Musk and his team members do not possess the adequate security clearances or cybersecurity hygiene, and have not been subjected to the requisite background checks, to handle such information. This raises serious questions about the legality of such actions and the potential for significant harm to national security, American financial markets, and the privacy of American citizens.

Should Musk and his team gain access to the SEC's systems, this will jeopardize the important role the SEC plays in maintaining and overseeing critical financial data, such as data stored by the Consolidated Audit Trail (CAT), confidentially submitted information contained in Form PF, and data collected through other trading and clearing systems. These datasets are vital to ensuring transparency, market integrity, and the ability to detect and prevent market manipulation and other illegal trading activities. Improper access to this sensitive information could have disastrous consequences for the stable functioning of the U.S. capital markets, which, as you well know, are the largest and most influential in the world. If individuals or entities without proper authorization are able to gain access to the data in the CAT, for example, they could manipulate or exploit market-sensitive information for personal or financial gain, leading to a loss of investor confidence, market instability, and potentially significant economic repercussions — including the collapse of our financial markets and individual retirees' nest eggs. Musk could also gain access to pre-IPO information, acquisition and mergers related information that is confidentially filed with the SEC, information contained in N-PORT submissions that would enable Musk or his friends to front-run investment decisions that would negatively impact those who invest in registered investment companies (such as money market funds, ETFs, and other mutual funds). Surrendering these data and information systems to the world's richest man, who has already demonstrated his disregard for the rule of law, would have devastating consequences on the integrity and safety of American markets. This risk is higher still given the fact that Musk is an executive at multi-billion dollar public and private companies, while

¹ The New York Times, ["Musk Team's Treasury Access Raises Security Fears, Despite Judge's Ordered Halt"](#) (Feb. 8, 2025).

trying to acquire or otherwise create hurdles for his competitors; for him the SEC's information would be the single largest treasure trove that he can pillage for his personal gain or vendetta. The Commission, along with the interests of investors, working families, and market participants (including companies that need access to capital) that rely on the SEC, must be safeguarded from Musk and his DOGE team.

As you know, Musk and DOGE are also intent on defunding, defanging, or otherwise disrupting the stable operations and functions of governmental agencies. I urge you to safeguard the following SEC functions that may be irreparably impacted by DOGE, including SEC responsibilities in:

- reviewing and approving registration statements from companies attempting to raise money in our capital markets for the first time, as well as from current registrants seeking to raise additional funding through these means;
- conducting enforcement actions against law violators and levying fines against them, funds which are then re-distributed to harmed investors;
- offering new and finalized rulemakings meant to safeguard both ordinary and institutional investors from financial harm and bad practices;
- reviewing and approving applications for registration by the many different players in the securities ecosystem (such as investment advisers, broker-dealers, transfer agents, nationally recognized statistical rating organizations, investment companies, and municipal advisors) as well as for new financial products;
- reviewing the periodic reports and other filings that various issuers are required to file with the Commission that detail their business plans, risk factors, and financial information;
- surveilling the functioning and operations of our capital markets;
- processing and acting upon whistleblower tips and information;
- conducting investor outreach and education;
- conducting routine oversight of self-regulatory organizations like FINRA and the PCAOB, and approving their rule changes; and
- providing assistance and staff guidance to issuers seeking to comply with the various securities laws and regulations.

Outside of improper access, there are also disturbing allegations that DOGE and Trump Administration officials have been making unilateral and drastic decisions regarding congressionally appropriated funding and the operational status of multiple federal agencies, such as the United States Agency for International Development (USAID)² and Consumer Financial Protection Bureau (CFPB)³—actions that go beyond the Executive's constitutional authority. As you know, the Constitution under Article II provides that only Congress—not the Executive branch—has the power of the purse, and therefore neither the President nor any individuals or entities acting at their direction can alter appropriated funds without explicit Congressional approval. Likewise, given Congress's powers under Article II's "Necessary and Proper" clause, Congress, not the Executive branch, has the sole ability to authorize and dismantle federal agencies. These reports represent a fundamental violation of the separation of powers doctrine and cannot be allowed to stand.

2. Elon Musk's Conflicts of Interest in Potentially Overseeing the Restructuring of the SEC

Another area of intense concern are the conflicts of interest involving Elon Musk and his relationship with the SEC. As you are well aware, the SEC has taken enforcement actions against Mr. Musk for violating federal

² The New York Times, "[Treasury Sought to Freeze Foreign Aid Payments, Emails Show](#)" (Feb. 6, 2025).

³ Wall Street Journal, "[CFPB to Close Office After Vought Tells Staff to Halt All Supervision](#)" (Feb. 9, 2025).

securities laws and regulations. These violations include making misleading statements to investors about taking Tesla private and failing to disclose his stock purchases in Twitter in a timely manner, bilking investors to the tune of \$150 million.⁴ The former violation led to significant penalties and a settlement agreement between Musk and the SEC. Musk himself has continued to rail against the SEC on his social media platform X for unfairly targeting him and his business interests, even in light of the Supreme Court rejecting his recent claims against his SEC agreement.⁵

Given Mr. Musk's history with the SEC, it is troubling that he may now be given influence over the agency's operations. Given recent reporting, we do not doubt that the approach Musk has taken at other agencies will soon come knocking at the SEC's door. As stated above, the potential for conflicts of interest is clear. As a private citizen who has been the subject of SEC enforcement—and as someone with an outspoken personal vendetta against the agency and its mission— Mr. Musk's involvement in any decisions regarding the future of the agency is highly inappropriate and raises significant questions about the agency's continued independence and ability to enforce the law impartially and ensure our capital markets remain fair, transparent, and free from manipulation. The public's trust in the SEC and in the integrity of our financial markets is paramount, and any action that jeopardizes this trust must be addressed promptly.

In light of these issues, I respectfully request that you provide immediate answers to the following questions:

1. Has DOGE made contact—whether formally or informally—with your office regarding these matters?
2. What information has DOGE been granted access to? Please indicate whether any of this information could be considered material nonpublic information, market-moving information, or involve sensitive personal data.
3. What were the stated purposes for accessing this information? Please provide documentation or communications that outline these justifications.
4. How is the SEC assessing whether access to data, regulatory information, or market surveillance systems create conflicts of interest? Has the SEC identified any conflicts of interest, and if yes, please list these conflicts and describe how the SEC is mitigating them.
5. Provide the full names of the individuals who currently have, or who have requested, access to these materials or systems.
6. Has there been any formal or informal communication, either directly or indirectly, from Mr. Musk, DOGE, or any individuals associated with them, inquiring about the SEC staff who have been involved in enforcement actions or regulatory matters pertaining to entities or organizations connected to Mr. Musk, President Trump, or any affiliated parties or organizations? If such communications have occurred, please provide a detailed description of the nature and content of those interactions, including the context, the individuals involved, and the topics discussed.
7. Furthermore, as the Acting Chair of the SEC, what specific measures and strategies do you plan to implement to safeguard the personal identifiable information (PII) of SEC staff? Additionally, how will you ensure that SEC staff are protected from any potential retaliation or targeted actions stemming from any perceived vendettas by Mr. Musk or President Trump, or their respective associates?
8. Do you understand and acknowledge that, under the U.S. Constitution, the President and his agents do not have the right to dismantle a Congressionally created agency without Congressional authorization and approval?
9. Additionally, can you confirm your commitment to preventing DOGE from making any cuts to appropriated funds without Congress passing legislation to approve such cuts?

The integrity of our financial markets and the confidence of American investors depend upon the SEC's ability to operate free from unauthorized interference and undue influence. Given the potentially catastrophic consequences of these reported actions—including market manipulation, data breaches, and a fundamental breach

⁴ ABC News, "[Elon Musk Underpaid Twitter Acquisition by \\$150m by not disclosing stake, SEC Alleges](#)" (Jan. 14, 2025)

⁵ NBC News, "[Supreme Court rejects Elon Musk's challenge to SEC agreement to vet his social media posts](#)" (Apr. 29, 2024).

of constitutional safeguards—I respectfully urge your immediate and thorough review of these matters. I further request that your detailed responses to the questions above be provided no later than Monday, February 24, 2025.

Sincerely,



MAXINE WATERS
Ranking Member
Committee on Financial Services
U.S. House of Representatives



BRAD SHERMAN
Ranking Member
Subcommittee on Capital Markets
U.S. House of Representatives

cc:
The Honorable Hester Peirce, Commissioner, U.S. Securities and Exchange Commission
The Honorable Caroline Crenshaw, Commissioner, U.S. Securities and Exchange Commission
The Honorable French Hill, Chairman, Committee on Financial Services, U.S. House of Representatives