



CITIZENS FOR  
RESPONSIBILITY &  
ETHICS IN WASHINGTON

June 3, 2026

Mr. David Warrington  
White House Counsel  
Office of the White House Counsel  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

The Honorable Platte Moring III  
Inspector General  
U.S. Department of Defense - Office of Inspector General  
4800 Mark Center Drive  
Alexandria, VA 22350-1500

Dear Mr. Warrington and Inspector General Moring:

Citizens for Responsibility and Ethics in Washington (“CREW”) respectfully requests the White House Counsel’s Office and Department of Defense (“DoD”) Office of Inspector General (“OIG”) investigate allegations that White House and DoD officials respectively exerted preferential treatment in the awarding of a \$620 million loan to Vulcan Elements (“Vulcan”), a rare earths company partially funded by a venture capital firm where President Trump’s adult son, Donald Trump Jr. is a partner. This review should investigate whether any White House or DoD officials violated applicable federal or DoD rules including, but not limited to, the Standards of Ethical Conduct for Employees of the Executive Branch (“Standards of Conduct”), Federal Acquisition Regulations (“FAR”) or DoD Joint Ethics Regulation. This review should also examine whether intervention by White House or DoD political appointees regarding Vulcan led the agency to dismiss or overrule concerns raised by career officials related to this loan, whether any DoD officials were subject to retaliation and whether any other instances of White House influence in DoD decisions regarding the awarding of loans or contracts have occurred during Secretary Hegseth’s tenure.

### **Factual background**

In November 2025, the DoD’s Office of Strategic Capital (“OSC”) announced a \$620 million conditional loan commitment with Vulcan and a smaller \$80 million commitment

to another company designed to “increase domestic Neodymium Iron Boron (NdFeB) magnet production and significantly bolster U.S. critical minerals supply chains.”<sup>1</sup> OSC explained that the loans would “directly support the production of advanced rare earth element separation, metallization, and magnet manufacturing capabilities in the United States.”<sup>2</sup> OSC projected that the increased manufacturing and processing capabilities enabled by the loans would lead to Vulcan and the other company “collectively producing up to 10,000 metric tons of NdFeB magnet material in the next several years, thereby significantly reducing the U.S. NdFeB magnet supply chain gap.”<sup>3</sup>

OSC was “established to attract and scale investment to national security priorities.”<sup>4</sup> Noting that “some critical technologies and their components attract relatively little private investment and are not always supported by traditional procurement methods for national security needs,” OSC aims “to use the United States’ comparative advantages in capital markets and economic competition to crowd in capital for the critical technology supply chains needed” by DoD.<sup>5</sup>

The *Financial Times* reported that Vulcan “drew funding in August [2025] from 1789 Capital, a fund founded by pro-Trump donors in 2023,” and that the president’s eldest son “joined in 2024 and is a partner in the eight-person firm.”<sup>6</sup> The Trump administration announced its commitment of \$620 million in taxpayer funds to Vulcan, described by the *Financial Times* as a “little-known rare earths start-up with about 30 employees,” a mere three months after Trump Jr.’s venture capital firm invested in the company.<sup>7</sup> According to *ProPublica*, when DoD announced the OSC loan to Vulcan, “defense officials and the company tried to tamp down suspicions of cronyism.”<sup>8</sup> *ProPublica* noted that Trump Jr. said through a spokesperson “that he wasn’t involved,” that DoD “said Trump Jr. played no role in the record-setting deal,” and Vulcan’s founder told reporters that his company “received no political favoritism.”<sup>9</sup> *ProPublica* reported that despite these denials, “interviews and Defense Department records reviewed by *ProPublica* show that the request to loan hundreds of millions of dollars to the firm linked to Trump Jr. was made by Peter Navarro, a White House adviser to President Donald Trump and a friend of Trump Jr.’s.”<sup>10</sup>

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<sup>1</sup> *Office of Strategic Capital Agrees to Joint \$700M Conditional Loan Commitment with Vulcan Elements and ReElement Technologies*, U.S. Dep’t of War (Nov. 21, 2025), <https://www.war.gov/News/Releases/Release/Article/4339788/office-of-strategic-capital-agrees-to-joint-700m-conditional-loan-commitment-wi/>.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *About OSC*, U.S. Dep’t of War, <https://www.cto.mil/osc/about/> (last visited May 28, 2026).

<sup>5</sup> *Id.*

<sup>6</sup> Alex Rogers & Joe Miller, *Donald Trump Jr.-backed start-up scores \$600mn US federal government deal*, *Financial Times* (Dec. 3, 2025), <https://www.ft.com/content/952f37ba-78b4-42a4-8d1b-2258de65f2c0>; see also *Don Trump Jr., 1789 Capital*, <https://1789capital.vc/don-trump-jr> (last visited June 3, 2026).

<sup>7</sup> Rogers & Miller, *supra* note 6.

<sup>8</sup> Robert Faturechi, *The White House Intervened to Get a \$620 Million Deal for a Company Tied to Donald Trump Jr.*, *ProPublica* (May 28, 2026), <https://www.propublica.org/article/donald-trump-jr-vulcan-deal-white-house>.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

A DoD official explained to *ProPublica* that, “[o]f the dozens of companies the Pentagon was considering funding at the time, Vulcan’s was the only deal initiated by a top aide to the president.”<sup>11</sup> After receiving the White House request, DoD officials reportedly asked agency staff to move “at an unusually rapid pace” with “staff work[ing] late nights and with little sleep to get the loan through in a matter of weeks.”<sup>12</sup> According to *ProPublica*, a spokesman for Trump Jr. said that he “has no knowledge about how this deal came together,” does not discuss companies he has invested in with federal government employees and did not discuss Vulcan with Mr. Navarro.<sup>13</sup> The article notes that a spokesperson for 1789 Capital, the venture firm where Trump Jr. is a partner, “said it also played no role in Vulcan getting the loan and did not learn about the deal before it was public.”<sup>14</sup>

To date, public reporting does not suggest any evidence that Trump Jr. or 1789 Capital discussed Vulcan or the loan with any government employee. It does, however, suggest that the Trump administration advocated for Vulcan to get a loan. *ProPublica* reported that OSC staff “learned of the White House request to give a loan to Vulcan around September or October,” noting that it was “unclear how the White House request was delivered or if it was presented as an order or a recommendation.”<sup>15</sup>

Although companies considered for OSC funding are “generally vetted for many months,” a government official told *ProPublica* that “this [Vulcan] deal was completed in a matter of weeks because they were told it was a White House priority.”<sup>16</sup> *ProPublica* reporter Robert Faturechi told *NPR* that its “reporting also found that of the dozens of companies the Pentagon was considering funding at the time, Vulcan ... was the only deal that was initiated by a top aid[e] to the president.”<sup>17</sup> It is unclear exactly how many other companies were competing for a similar loan, but lost out on the award.

According to an analysis by the *Financial Times*, at least four companies in the portfolio of Trump-affiliated 1789 Capital won contracts from the Trump administration in 2025, amounting to more than \$735 million in taxpayer funds awarded.<sup>18</sup> The publication added that “[o]ther groups backed by Trump Jr have received regulatory relief.”<sup>19</sup>

## **Potential violations**

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<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> Lauren Hodges, Christopher Intagliata & Juana Summers, *White House asked Pentagon to loan money to a company linked to Trump’s oldest son*, *NPR* (May 28, 2026), <https://www.npr.org/2026/05/28/nx-s1-5837561/white-house-asked-pentagon-to-loan-money-to-a-company-linked-to-trumps-oldest-son>.

<sup>18</sup> Rogers & Miller, *supra* note 6.

<sup>19</sup> *Id.*

Federal employees including those at the White House and DoD are barred by the Standards of Conduct from providing “preferential treatment” to private companies including using or permitting the use of their government positions or titles or any authority associated with their public offices to induce or coerce any financial benefit or endorse any product, service or enterprise.<sup>20</sup> The Standards of Conduct also require that employees avoid using their titles or positions in any manner that would create an appearance that the government sanctions or endorses their activities or those of another.<sup>21</sup> These rules very clearly proscribe public officials from improperly influencing government decisions for the benefit of friends or acquaintances rather than relying on standard protocols for decisionmaking. One example illustrating how these rules apply instructs that an official who intervenes on behalf of a friend whose firm’s export license was pending before the official’s agency violated the rule when “the employee raised as a matter for official inquiry the delay in approval of the particular license and asked that the particular matter be expedited.”<sup>22</sup>

Furthermore, violation of these misuse of position provisions may also reflect violations of other ethics laws as well. In the example above the Office of Government Ethics noted that the official’s intervention on the friend’s behalf “may also have violated 18 U.S.C. § 205” because the official acted as the “friend’s agent for the purpose of pursuing the export license with the [agency].”<sup>23</sup>

If Mr. Navarro or any other White House or administration official requested that Vulcan or any other company tied to Donald Trump Jr. receive preferential treatment by DoD in the agency’s consideration of awarding Vulcan a \$620 million taxpayer-funded loan, then any such official likely violated federal ethics rules. If any DoD official complied with a request by the White House to expedite or otherwise give preferential treatment to Vulcan or any company tied to Donald Trump Jr., then they likely violated federal rules.

According to the Fiscal Year 2024 Investment Strategy for OSC, the office “works with the private sector to strengthen technological advantages in the United States. This type of engagement is conducted in adherence to ethical and regulatory standards.”<sup>24</sup> The document explains further that OSC “operates according to DoD-wide ethical standards for successful, fair, and transparent execution of these programs.”<sup>25</sup>

FAR establishes a robust compliance regime for the awarding of government contracts to ensure that, “[g]overnment business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and

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<sup>20</sup> 5 C.F.R. § 2635.101(b)(8); 5 C.F.R. § 2635.702(a),(c).

<sup>21</sup> 5 C.F.R. § 2635.702(b).

<sup>22</sup> 5 C.F.R. § 2635.702(a) ex. 2.

<sup>23</sup> *Id.*

<sup>24</sup> U.S. Dep’t of Def., *Investment Strategy for the Office of Strategic Capital* (2024), [https://www.cto.mil/wp-content/uploads/2024/05/OSC\\_FY24\\_Investment\\_Strategy.pdf](https://www.cto.mil/wp-content/uploads/2024/05/OSC_FY24_Investment_Strategy.pdf).

<sup>25</sup> *Id.*

with preferential treatment for none.”<sup>26</sup> Government employees are admonished that, “[t]ransactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct.”<sup>27</sup> Section 3.101-1, related to safeguards for addressing improper business practices and conflicts of interests, explains that “[t]he general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships.”<sup>28</sup> This directive requires government employees to adhere to both the strict letter, but also the spirit of, the law: “While many Federal laws and regulations place restrictions on the actions of Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions.”<sup>29</sup>

The Competition in Contracting Act of 1984, codified in FAR Subpart 6.1 regarding “Full and Open Competition,” encourages competition for the award of government contracts to increase the number of competitors, savings to the government and generally more competitive pricing.<sup>30</sup> If any government employee provided preferential treatment to a company tied to the president’s family in the award of government contracts, such conduct likely violates the impartiality and competition requirements as well as other provisions of the FAR.

In conducting this review, the White House Counsel’s office and DoD OIG should consider whether:

- The reported request from the White House or compliance with it by any DoD official constitutes “preferential treatment” toward a “private organization or individual” in violation of 5 C.F.R. § 2635.101(b)(8) or 5 C.F.R. § 2635.502;
- Whether such request constitutes “use of public office for private gain” including on behalf of friends or other “persons with whom the employee is affiliated in a nongovernmental capacity” in violation of 5 C.F.R. § 2635.101(b)(7) or 5 C.F.R. § 2635.702;
- Whether any White House or DoD officials have engaged in any other conduct related to a consideration or awarding a government contract or loan to a company tied to President Trump or a member of his family that “creat[ed] the appearance” that relevant decisionmakers had “violat[ed] the law or the ethical standards set forth in [Part 2635]” in violation of 5 C.F.R. § 2635.101(b)(14);
- Whether any White House or DoD officials have engaged in any other conduct related to a consideration or awarding a government contract or loan to a

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<sup>26</sup> FAR 3.101-1.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> See 41 U.S.C. § 253; see also 41 U.S.C. § 3301.

- company tied to President Trump or a member of his family that violated any provision of the FAR or any other applicable law;
- Whether any DoD officials have engaged in any other preferential conduct related to a consideration or awarding a government contract or loan during Secretary Hegseth's tenure; and
  - Whether the White House and DoD have sufficient controls in place to ensure employees' compliance with the Standards of Conduct, federal ethics laws and any other applicable laws or rules such as the FAR.

CREW further requests that the White House Counsel's Office and DoD OIG seek to ensure that all documents related to this incident be requested, reviewed and preserved.

### **Conclusion**

As the war with Iran continues, it is even more important for the federal government to affirm to the American people that DoD's taxpayer-funded resources are used appropriately. That means ensuring that DoD loans and contracts are awarded based on the most exacting standards rather than political favoritism. Anything less undermines our national security and American businesses that play by the rules in an effort to secure government backing. Allegations that White House and DoD officials may have put their thumbs on the scale in a DoD loan program to ensure that a company with ties to the president and his family received federal funds are unacceptable and must be thoroughly investigated. CREW urges the White House Counsel's Office and DoD OIG to immediately review and publicly report on this matter and other administration contracting and loan practices to shed light on the facts, recommend consequences and take corrective action. CREW greatly appreciates your prompt attention to this matter.

Sincerely,



Donald K. Sherman  
President and Chief Executive Officer