

Senate votes to strip the CFPB of its power to regulate X

The Senate voted on Wednesday to strip a key financial regulator of its ability to monitor digital platforms like X, as the social media company's owner, Elon Musk, has become the public face of the government office seeking to shrink the agency's workforce.

With the CFPB's digital authority now in danger, two Democrats are calling on the Office of Government Ethics (OGE) to probe Musk's compliance with federal ethics laws, given his financial interests and work with the Department of Government Efficiency (DOGE). In a letter shared exclusively with *The Verge*, Sens. Elizabeth Warren (D-MA) and Adam Schiff (D-CA) are asking the OGE to preserve communications about Musk and DOGE's compliance. They ask whether Musk has recused himself from DOGE's work at the CFPB or if he's been issued ethics waivers to address conflicts of interest that might be raised by his ownership of X and leadership at Tesla, which offers financing to auto customers.

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The CFPB rule that Republicans are trying to get rid of would let the agency keep tabs on digital services like X's planned venture into payments for fraud and privacy issues. That raised concerns that Musk could be serving his own financial interests in kneecapping a regulator that would have direct oversight of at least one of his businesses. The White House

has previously offered vague assurances that Musk would not work on matters that present a conflict of interest, but he hasn't done much to distance himself publicly from DOGE's work at the CFPB. He posted "CFPB RIP" on his X account in the wake of an initial stop-work order issued to the agency.

"Notably, the CFPB has taken steps in recent years to protect consumers from fraud on digital payment apps and collects proprietary information from the digital payment industry," Warren and Schiff write in their letter to the OGE. "Mr. Musk is also the founder and CEO of Tesla, which offers customers the option of working with Tesla to finance their auto purchases. The CFPB plays a critical role in supervising the auto lending industry and protecting consumers from corporate malfeasance and scams. Therefore, actions by Mr. Musk and DOGE at the CFPB have the potential to directly benefit X, Visa, and Tesla—and by extension, Mr. Musk."

Musk has been dubbed a "special government employee" by the Trump administration, which the lawmakers point out makes him subject to conflict of interest laws. "Therefore, if Mr. Musk has taken actions in his federal role that will benefit his financial interests without receiving appropriate waivers and approvals, he may have violated the criminal conflict of interest statute."

Ahead of the Senate vote on Wednesday, Sen. Jack Reed (D-RI) framed the choice to his colleagues succinctly: "A vote in favor of this resolution is a vote to strip federal oversight of Elon Musk's payments company."

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