

Taxpayers are paying Musk millions to stop his employees from taking drugs like Musk does

By [JACQUELINE FELDSCHER](#)

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SpaceX CEO Elon Musk's infamous pot-smoking incident last year prompted NASA to order a mandatory review of the federal contractor's workplace culture — but taxpayers, not the company, are bearing the cost, according to contracting records reviewed by POLITICO.

The space agency [agreed to pay](#) SpaceX \$5 million in May to cover the cost of the review, which includes educating its employees and ensuring they are following strict guidelines for federal contractors barring illegal drug use.

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The decision, which has not previously been reported, struck some space industry insiders as a highly unusual expenditure given that Musk, who holds a security clearance, prompted the concerns about whether SpaceX is following the rules.

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While marijuana is legal in multiple states – including California, where Musk's stunt took place – it remains illegal under federal

law. And illegal drug use is also considered a violation of the terms of a government security clearance.

The NASA contract to SpaceX to pay for the workplace review — a modification to a previous contract to build a space capsule — also marks a new chapter in its ongoing tension with more established rivals like Boeing.

Boeing and SpaceX are competing to build a new space capsule for NASA's Commercial Crew Program. SpaceX is building the Crew Dragon capsule and Boeing is manufacturing the Starliner. Both programs are behind schedule.

But while Boeing was also directed to undertake the same review of workplace safety and culture after Musk's marijuana smoking, it didn't get any extra funds to cover the cost.

The episode raises a number of questions, said Pete Garrettson, a recently retired Air Force lieutenant colonel and space strategist.

"As a taxpayer why would I pay when I don't have to?" he asked. "If I was Boeing, I also would have said, 'Why am I being punished without the same compensation?'"

But if the aerospace giant wanted NASA to cover the costs of the review, he added, it may have faced uncomfortable questions about why its costs for the Commercial Crew Program are so much higher than SpaceX's.

"If I was at NASA," Garrettson added, "I'd say, 'How much was your contract [for the Commercial Crew Program] padded compared to SpaceX?'"

SpaceX said that it is using the money to cover the cost of the review, which will include interviews with staff at all levels across the company and was not part of the original contract for the Crew Dragon capsule back in 2014. . Boeing said it is carrying out the culture review under its current contract. That includes the additional costs of conducting interviews with employees ranging from senior managers to engineers.

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“SpaceX worked closely with NASA to account for additional work beyond the scope of the contract,” said James Gleeson, a SpaceX spokesman.

Boeing confirmed that it did not receive any extra money for its review, which officials say also includes reviewing documents and interviewing employees to ensure it is also maintaining a drug-free workplace under its Starliner contract. It’s not clear how much the review will cost Boeing.

“NASA is moving forward with fulfilling the objectives of their safety assessment under our current contract, and we are prepared to help our customer meet those goals,” a Boeing spokesperson said.

NASA, for its part, said it is “standard practice” for a company to receive additional money for work not included in the original contract , but did not directly respond to questions about why it didn’t offer the additional funds to Boeing.

NASA spokesman Joshua Finch told POLITICO in a statement only that “after discussions with Boeing...we decided we wouldn’t

pursue a contract modification to carry out the assessment that's underway."

Paying a contractor extra to do such a review does not appear to have any precedent, according to several space industry veterans. NASA ordered the review of the safety measures at SpaceX and Boeing in November after Musk [smoked marijuana and sipped whiskey](#) on Joe Rogan Experience podcast.

NASA Administrator Jim Bridenstine [explained](#) at the time that "if I see something that's inappropriate, the key concern to me is what is the culture that led to that inappropriateness and is NASA involved in that.

"As an agency we're not just leading ourselves but our contractors, as well. We need to show the American public that when we put an astronaut on a rocket, they'll be safe," Bridenstine added.

But NASA has not ordered such a review previously. In fact, when the review was ordered, companies were not sure what exactly it entailed because it had not been done before at NASA, according to one person in the space industry.

"It would be odd for NASA to pay a contractor millions to tell its employees not to do drugs," said one industry official, pointing out that other companies did not receive any extra money for "meeting basic contractual requirements."

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Yet the implication that SpaceX is getting special treatment struck others as ironic given that Boeing has been paid nearly [\\$1.7 billion](#) more on NASA's Commercial Crew Program than SpaceX -- \$4.82 billion compared with \$3.14 billion.

"The idea of NASA ever giving SpaceX preferential treatment over Boeing is simply giggle-inducing to industry insiders," said Greg Autry, an assistant professor at the University of Southern California who served on the Trump administration's NASA transition team. "At every step of the way Boeing got more [money] in the [Commercial Crew development] program. Far, far more than \$5 million. Even discussing \$5 million in this context is silly."

But the dust-up over how to handle Musk's marijuana violation also highlights the clash of cultures between longtime contractors and their new – and often more innovative – competitors, said Garrettson.

"What we have here is an important cultural divide between what is considered appropriate behavior in the old guard in the space community and what is considered OK among Silicon Valley tech people and a growing sector of Americans," Garrettson said.

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