SpaceX financials flagged as concern to SEC by advocacy group

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SOC Investment Group, an adviser to union-affiliated pension funds, is urging United States regulators to probe SpaceX's financials ahead of a Wall Street debut that could value the company at more than US$2 trillion, citing concerns over its relationships with Elon Musk's other ventures.

In a letter to the U.S. Securities and Exchange Commission dated May 6, the Washington, D.C.-based group asked the agency to review SpaceX's financial disclosures for accuracy and reliability, and make sure the rocket manufacturer's auditor remains independent. SOC also urged the SEC to scrutinize the accounting of SpaceX's transactions with other Musk companies, including xAI and Tesla Inc.

"We are specifically concerned that SpaceX's IPO will expose numerous investors — many unwillingly — to a company whose value may decline once its financial disclosures can be independently assessed and verified," the letter said.

SOC is not a SpaceX shareholder. The group has previously taken on Tesla to ensure corporate responsibility, as well as other high-profile companies, with some success. In 2022, for example, JPMorgan Chase & Co. agreed to a third-party audit of its $30 billion racial-equity commitment after the group took up the matter.

SOC's letter follows a similar request from the American Federation of Teachers, urging the SEC to closely review SpaceX's targeted valuation, accounting practices and governance, as several board members are close Musk allies.

Representatives for SpaceX did not immediately respond to a request for comment.

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The company's upcoming public offering has drawn attention to how Musk's firms have long been intertwined through financial investments, business agreements and shared personnel.

SpaceX merged with xAI earlier this year. XAI previously bought Musk's social network, X. Meanwhile, Tesla, the only Musk company that's publicly traded, has sold Cybertrucks to SpaceX and xAI, as well as Megapack energy storage batteries to the AI startup.