United States Senate

WASHINGTON, DC 20510

July 30, 2026

Mr. David A. Lorch
Director, Office of Strategic Capital
Department of Defense
3030 Defense Pentagon
Washington, DC 20301

Dear Mr. Lorch,

We write seeking information regarding the $620 million loan your office committed to Vulcan Elements, a rare earth magnet company backed by President Trump's son, Donald Trump Jr.[1] Reporting indicates that White House Senior Counselor for Trade and Manufacturing Peter Navarro intervened directly in the contracting process for this loan.[2] Navarro reportedly personally initiated the contracting process for the loan, notwithstanding his close relationship with Mr. Trump Jr.,[3] and White House officials apparently pressured Pentagon staff to expedite the deal, forcing them to work "late nights and with little sleep" to complete the loan.[4]

These reports raise grave ethical and public safety concerns and the specter that the Pentagon is prioritizing funding for critical defense components based on company's ties to the Trump family. The use of funds from the so-called One Big Beautiful Bill Act (OBBBA) to enrich a Trump family member is a further affront to taxpayers from a law that is estimated to add $5.1 trillion to the federal deficit.[5] The loan to Vulcan Elements represents roughly 13% of all capital committed by the Office of Strategic Capital (OSC) as of January 2026.[6]

Vulcan Elements' financial ties to Donald Trump Jr. and the Trump Administration are well reported. Small Business Administration documents show that as recently as November 2025,

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[1] *Office of Strategic Capital Agrees to Joint $700M Conditional Loan Commitment with Vulcan Elements and ReElement Technologies*, UNITED STATES DEPARTMENT 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/.

[2] 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.

[3] *Id.*

[4] *Id.*

[5] *Id.*; *see also* William G. Gale et al., *One Big Beautiful Bill: What We Know So Far*, TAX POLICY CENTER (Mar. 23, 2026) https://taxpolicycenter.org/taxvox/one-big-beautiful-bill-what-we-know-so-far (estimating OBBBA will add "between $3.7 and $5.1 trillion" to the federal deficit).

[6] *See Remarks by Secretary of War Pete Hegseth at SpaceX*, DEPARTMENT OF DEFENSE (Jan. 12, 2026) https://www.war.gov/News/Transcripts/Transcript/Article/4377190/remarks-by-secretary-of-war-pete-hegseth-at-spacex/ (indicating "the OSC team has deployed over $4.5 billion in capital commitments as part of closing six critical mineral deals").

Vulcan Elements had only eight employees.[7] In August 2025, Vulcan Elements raised $65 million in funding from several Trump-affiliated venture capital firms,[8] including 1789 Capital, which publicly lists Trump Jr. as a partner.[9] The August 2025 funding round was led by Altimeter Capital,[10] whose CEO, Brad Gerstner, lobbied for the passage of the OBBBA and currently runs a nonprofit dedicated to promoting the "Trump Accounts" savings campaign.[11] These relationships appear to have proved profitable for all parties involved; shortly after receiving the $620 million loan, Vulcan Elements' valuation skyrocketed, increasing the value of Donald Trump Jr.'s initial investment by as much as 90 percent.[12]

Donald Trump Jr. and Peter Navarro, the senior White House advisor that reportedly intervened on behalf of Vulcan Elements, are also deeply intertwined. Trump Jr. reportedly visited Navarro while Navarro was imprisoned in Miami for refusing to provide testimony related to the January 6th insurrection at the United States Capitol. In a podcast promoting Navarro's recent book, Trump Jr. has referred to Navarro as "great patriot, great friend, great American."[13] This appearance seemed to be designed to benefit Navarro financially by increasing book sales. Navarro, in kind, dedicated his recent book to Trump Jr., among others, for having "my back when it was against the wall."[14]

If, as reported, Navarro intervened on behalf of Vulcan Elements, Navarro may have violated the ethical obligations binding executive branch employees. For example, Subpart E of the Executive Branch Standards of Ethical Conduct instructs executive branch employees to recuse themselves from matters that could create the appearance of impartiality, including matters involving persons with whom they seek a "business, contractual, or other financial relationship."[15] Given Navarro may have benefitted financially from his relationship with Trump Jr., including through book sales from appearances on Trump Jr.'s podcast, he likely should not have intervened on behalf of a company linked to Trump Jr.

This disturbing reporting is only the latest in a series of concerning events sparking concerns that President Trump is attempting to co-opt the Department of Defense and the Office of Strategic Capital to benefit his friends and family. At least ten companies linked to Trump Jr. and Eric

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[7] *Vulcan Elements*, SMALL BUSINESS INNOVATION RESEARCH (SBIR) (last visited Jun. 1, 2026) https://www.sbir.gov/portfolio/2451639.
[8] Vulcan Elements, *Vulcan Elements Raises $65M for Rare Earth Magnets*, LINKEDIN (Aug. 2025), https://www.linkedin.com/posts/exclusive-rare-earth-magnet-maker-raises-share-7360630903972274176-UlGi/.
[9] *Donald Trump Jr., Partner*, 1789 CAPITAL (last visited May 29, 2026), https://1789capital.vc/don-trump-jr.
[10] Hannah Miao, *Rare-Earth Magnet Maker Raises $65 Million in Push to Counter China*, WALL ST. J. (Aug. 11, 2025), https://www.wsj.com/business/rare-earth-magnet-maker-raises-65-million-in-push-to-counter-china-85ea8612.
[11] *The Team*, InvestAmerica (last visited May 29, 2026), https://investamerica.org/team/.
[12] *See* Faturechi, *supra* note 2 (indicating Vulcan Elements was valued at $200 million around when 1789 Capital initially invested).
[13] TRIGGERED WITH DON JR.: *Peter Navarro Went to Prison So You Won't Have To* (Spotify, Oct. 28, 2025).
[14] PETER NAVARRO & BONNIE BRENNER, I WENT TO PRISON SO YOU WON'T HAVE TO: A LOVE AND LAWFARE STORY IN TRUMP LAND, dedication page (Sept. 16, 2025).
[15] 5 C.F.R. § 2635.502(a)(2); 502(b)(1)(i).

Trump have won Department of Defense contracts or loans, raising significant conflict of interest concerns that ethics experts have said "undermines public confidence."[16]

In response to a Congressional inquiry in March, the Department of Defense implied its policies for identifying corrupt practices extend only to employees of the Department itself, not to the Trump family.[17] Donald Trump Jr. has also acknowledged playing an outsized role in staffing the Department of Defense, including screening candidates for "top jobs" on behalf of President Trump.[18] Trump Jr. publicly admitted to selecting candidates based on their preference for spending more on drones[19], all while sitting on the advisory board of a drone company currently negotiating for additional funding with the Office of Strategic Capital.[20]

The American people must be able to trust that our Department of Defense makes decisions based exclusively on furthering national security interests, not political cronyism. Pressuring OSC staff to complete a contract that benefits the Trump family, as reported, diverts valuable resources away from other, more promising defense capabilities.

In addition to the information requests below, please preserve all records and communications related to the Vulcan Elements deal. This applies to internal communications, communications with White House officials, Donald Trump Jr., and Department of Defense officials outside the OSC. This includes but is not limited to: records and communications via email, whether official or personal; mobile devices; encrypted or disappearing messaging applications; social media; calendar entries; meeting notes; and voicemail and text messages. To the extent that you use any auto-delete functions, you should immediately suspend autodelete functions and notify persons with control over potentially relevant records of their preservation obligations.

This preservation request covers both past and current efforts, as well as any planned or in-development measures responsive to the issues raised in this letter.

In light of these concerns, and pursuant to the Senate's oversight responsibilities, please provide answers to the following questions by August 28, 2026:

1. Please preserve any documents or communications between OSC staff and Peter

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[16] Akayla Gardner, *Trump is rearming America. His sons are invested in the companies selling weapons,* MS Now (Jul. 2, 2026), https://www.ms.now/news/trump-sons-defense-contractors-drones.

[17] SENS. ELIZABETH WARREN & RICHARD BLUMENTHAL, FOLLOW-UP LETTER FROM SENATORS WARREN, BLUMENTHAL TO SECRETARY HEGSETH ON TRUMP JR. CONFLICTS OF INTEREST (Mar. 24, 2026), https://www.warren.senate.gov/wp-content/uploads/media/doc/follow-up_letter_from_senators_warren_blumenthal_to_secretary_hegseth_on_trump_jrconflictsofinterest.pdf.

[18] Eric Lipton, *Trump's Son Is Poised to Profit From Pentagon Drone Proposal*, N.Y. TIMES (Oct. 24, 2025), https://www.nytimes.com/2025/10/24/us/politics/trump-drones-pentagon.html.

[19] *See* Rebecca Crosby & Noel Sims, *UPDATE: Trump Jr.-backed startup receives $620 million Pentagon loan*, POPULAR INFORMATION (Dec. 4, 2025), https://popular.info/p/update-trump-jr-backed-startup-receives?r=bgo2&utm_medium=ios&triedRedirect=true ("In September, Trump Jr. said on his podcast that he looked for candidates who wanted to spend more on drones, alleging that the military is 'better served with a drone that costs… a tiny fraction of that of a plane.'").

[20] Heather Somerville & Amrith Ramkumar, *The Trump Administration Is in Talks to Fund U.S. Drone Companies*, WALL ST. J. (May 27, 2026), https://www.wsj.com/politics/national-security/trump-us-drone-company-funding-cadef1f7.

Navarro regarding the Vulcan Elements deal.

2. Please provide a list of all White House officials, including Peter Navarro, who contacted OSC staff regarding the Vulcan Elements deal.

3. Please provide the exact terms of the Vulcan Elements agreement.

4. Please provide a complete list of OSC personnel interviewed or recommended by Donald Trump Jr. during their selection process.

    a. Which, if any, of these individuals were involved in the negotiations between OSC and Vulcan Elements?

    b. Explain the nature of their involvement.

Thank you for your prompt response to this important matter.

Sincerely,

Adam B. Schiff
United States Senator

Elizabeth Warren
United States Senator

Richard Blumenthal
United States Senator