Elon Musk Company cited for almost 800 environmental violations in Las Vegas

Violations include digging without permits and dumping wastewater into storm drains.

Anjeanette Damon, ProPublica, and Dayvid Figler, City Cast Las Vegas –

Nevada state regulators have accused Elon Musk's Boring Co. of violating environmental regulations nearly 800 times in the last two years as it digs a sprawling tunnel network beneath Las Vegas for its Tesla-powered "people mover." The company's alleged violations include starting to dig without approval, releasing untreated water onto city streets and spilling muck from its trucks, according to a new document obtained by City Cast Las Vegas and ProPublica.

The September 22 cease-and-desist letter from the state Bureau of Water Pollution Control alleged repeated violations of a settlement agreement that the company had entered into after being fined five years ago for discharging groundwater into storm drains without a permit. That agreement, signed by a Boring executive in 2022, was intended to compel the company to comply with state water pollution laws.

Instead, state inspectors documented nearly 100 alleged new violations of the agreement. The letter also accuses the company of failing to hire an independent environmental manager to regularly inspect its construction sites. State regulators counted 689 missed inspections.

The Boring Co. is disputing the violation letter, a state spokesperson said.

The Nevada Division of Environmental Protection could have fined the company more than $3 million under the 2022 agreement, which allowed for daily penalties to be assessed. But regulators knocked down the total penalty to $242,800. For example, the bulk of the total possible fine was linked to the alleged missed inspections, but the agency chose to levy just a $10,000 penalty for each of the company's 11 permits.

"Given the extraordinary number of violations, NDEP has decided to exercise its discretion to reduce the penalty to two $5,000 violations per permit, which it believes offers a reasonable penalty that will still serve to deter future non-compliance conduct," regulators wrote in the letter.

Payment of the penalty isn't required until after the dispute resolution process is complete, a state spokesperson said. In the letter, the agency reminded the company that it "reserves the right to direct TBC to cease and desist construction activities" under the agreement.

In the past, Musk has espoused paying penalties rather than waiting for approvals as a way of doing business.

"Environmental regulations are, in my view, largely terrible," he said at an event with the libertarian Cato Institute last year. "You have to get permission in advance, as opposed to, say, paying a penalty if you do something wrong, which I think would be much more effective."

Neither Musk nor Boring responded to requests for comment for this story.

The September 22 letter documents the latest in a string of alleged violations of state and local regulations by The Boring Co. since it began construction in 2019 of the Loop project, which uses driver-operated Teslas to move people through the tunnels. The project, initially a 0.8-mile underground route connecting the sections of the Las Vegas Convention and Visitors Authority campus to each other, has grown to a planned 68 miles of tunnels and 104 stations across the Las Vegas Valley. It's carried out in partnership with the LVCVA, the tourism board best known for the "What Happens Here, Stays Here" slogan.

Boring uses a machine known as Prufrock to dig the 12-foot-diameter tunnels, applying chemical accelerants as part of the process. For each foot the company bores, it removes about 6 cubic yards of soil along with any groundwater, according to a company document prepared for state environmental officials.

Because it is privately funded and receives no federal money, the project is exempt from many exhaustive governmental vetting and environmental analysis requirements. But it is required to obtain state permits to ensure the waste does not contaminate the environment or local water sources.

A January story by ProPublica and City Cast Las Vegas documented how the company worked to escape county and state oversight requirements by arguing its project didn't fit under existing regulations and promising to hold itself accountable through independent audits—all while being cited for permitting and water pollution violations in 2019, 2021, 2022, and 2023. Last year, the company successfully lobbied to be exempted from holding a county "amusement and transportation system" permit, arguing instead for an oversight plan that removed multiple layers of inspection.

Workers have complained of chemical burns from the waste material generated by the tunneling process, and firefighters must decontaminate their equipment after conducting rescues from the project sites. The company was fined more than $112,000 by Nevada's Occupational Safety and Health Administration in late 2023 after workers complained of "ankle-deep" water in the tunnels, muck spills, and burns. The Boring Co. has contested the violations. Just last month, a construction worker suffered a "crush injury" after being pinned between two 4,000-foot pipes, according to police records. Firefighters used a crane to extract him from the tunnel opening.

After ProPublica and City Cast Las Vegas published their January story, both the CEO and the chairman of the LVCVA board criticized the reporting, arguing the project is well-regulated. As an example, LVCVA CEO Steve Hill cited the delayed opening of a Loop station by local officials who were concerned that fire safety requirements weren't adequate. Board chair Jim Gibson, who is also a Clark County commissioner, agreed the project is appropriately regulated.

"We wouldn't have given approvals if we determined things weren't the way they ought to be and what it needs to be for public safety reasons," Gibson said, according to the Las Vegas Review Journal. "Our sense is we've done what we need to do to protect the public."

Asked for a response to the new proposed fines, an LVCVA spokesperson said, "We won't be participating in this story."

The repeated allegations that the company is violating regulations—including the bespoke regulatory arrangement agreed to by the company—indicates that officials aren't keeping the public safe, said Ben Leffel, an assistant public policy professor at the University of Nevada, Las Vegas.

"Not if they're recommitting almost the exact violation," Leffel said.

Leffel questioned whether a $250,000 penalty would be significant enough to change operations at The Boring Co., which was valued at $7 billion in 2023. Studies show that fines that don't put a significant dent in a company's profit don't deter companies from future violations, Leffel said.

A state spokesperson disagreed that regulators aren't keeping the public safe and said the agency believes its penalties will deter "future non-compliance."

"NDEP is actively monitoring and inspecting the projects," the spokesperson said.

This story originally appeared on ProPublica.