

Hegseth's insider war investments and the character of the American ruling class

Kevin Reed
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The *Financial Times* revealed late Monday that Pete Hegseth, the Trump administration's Secretary of War, is implicated in an insider trading operation involving his personal broker at Morgan Stanley and extensive investments in major US defense firms, including Lockheed Martin and Northrop Grumman, in the weeks leading up to the opening of the war against Iran.

The FT report details evidence indicating that Hegseth's broker traded based on advanced intelligence—information known only to senior Pentagon and National Security Council officials—allowing the secretary to position himself for massive financial gains as the war unfolded.

According to the FT report, which cites multiple sources “with direct knowledge of internal Morgan Stanley communications,” large-scale buy orders were placed for defense sector exchange-traded funds (ETFs) and targeted equities two to three weeks before the first waves of US airstrikes on Iranian infrastructure in late January.

Those trades, executed through accounts nominally administered by Hegseth's long-time financial advisor, James Halvorsen, were timed to take advantage of a predictable surge in defense stocks once the war began.

Morgan Stanley insiders told FT that the transactions, totaling approximately \$9.4 million, included purchases in BlackRock's iShares U.S. Aerospace & Defense ETF and direct stakes in Lockheed Martin and Northrop Grumman. The report notes that these positions have since increased in value by roughly 38 percent, representing a paper payout of nearly \$3.5 million.

Two individuals familiar with the matter told reporters that internal electronic communications between Halvorsen and Morgan Stanley risk compliance officers contained “highly specific references” to upcoming executive branch decisions. One message reportedly referred to “the action window opening in mid-January,” an apparent reference to the go-ahead order for intensified bombing and troop deployments across the Gulf region.

While the *Financial Times* concluded that there was “no direct proof that Hegseth personally directed or discussed

these trades,” it cited three sources “close to the Secretary's personal office” who confirmed that he was in “near-daily contact” with Halvorsen throughout the period in question, including during restricted interagency war briefings.

“Everything about the timing, the content of the messages, and the nature of the investments strongly suggests insider knowledge of forthcoming war plans,” said one former senior compliance official quoted by the paper. “This wasn't smart guessing. These were guided trades.”

Within hours of publication, the Pentagon issued an indignant statement denouncing the *Financial Times* exposé as “categorically false, malicious, and defamatory.” A press release from Department of Defense spokesman Sean Parnell claimed that Hegseth “has had no involvement whatsoever with personal investments or trading decisions since assuming office” and accused the British newspaper of “a politically motivated attempt to smear a decorated veteran and patriot.”

The statement went further, demanding a full retraction and threatening “legal consequences” if the allegations were not withdrawn. However, Parnell notably refused to address any of the factual claims laid out in the FT story—the dates of the trades, the identification of specific defense sector instruments, the known communications between Halvorsen and Hegseth's office, or the percentage gains upon declaration of hostilities.

Instead, Parnell attempted to discredit the source material, alleging a “foreign disinformation agenda” without providing any evidence whatsoever. That the Pentagon responded not with documentation or transparency but with rage and evasion speaks for itself. If the allegations were baseless, they could be easily refuted through the release of brokerage records or ethics compliance disclosures.

The fact that the Defense Department has instead resorted to bluster and threats only deepens the stench of criminality around Hegseth and his financial networks. At the same, these revelations fully correspond to the lies being told to the American people and the people of the world about reasons, objectives and progress of the US-Israeli war against Iran.

The revelations regarding insider profiteering through war-related equities intersect directly with recent reports about the manipulation of both oil futures and “prediction markets” tied to the unfolding conflict with Iran. In February, investigative journalists uncovered a pattern of suspiciously timed transactions on commodities and derivatives exchanges, where traders made stunningly accurate bets on the start dates, suspension announcements, and so-called ceasefire “openings” in the war’s early phases.

Significant spikes in short-term volatility options—precisely calibrated to White House and Pentagon press conference timings—pointed to advance knowledge of when the administration would signal either escalation or détente. In several instances, speculative position-holders reaped profits within hours of official statements, implying not mere coincidence but a flow of restricted information from national security officials to private actors operating within the global financial system.

The picture that now emerges is one of a ruling class that is not only waging imperialist war abroad but monetizing every phase of its own military aggression. Decisions of war and peace, involving the lives of millions, are being made as opportunities for personal enrichment by the very people ordering the bombings. For the fascist Trump regime, the blood-soaked machinery of imperialism now doubles as an investment portfolio.

These exposures further confirm that the decadence and corruption at the highest levels of the American state have reached a terminal stage. A government that treats war openly as a business venture—where cabinet officials position themselves to profit from the destruction of entire nations—has lost all vestiges of political legitimacy.

Such a political system, rooted in the crisis-ridden capitalist profit system and dominated by the military-industrial complex, treats human life as a disposable variable in the service of wealth accumulation. Meanwhile, the staggering sums spent on weapons contracts and speculative trading are directly responsible for the collapsing infrastructure, decaying educational and health care systems, homelessness, and growth of poverty faced by millions inside the US itself.

Tens of billions have already been squandered in the bombs dropped over Tehran and Isfahan, which have killed thousands of people, while the White House war criminals demand another \$200 million to continue the death and destruction that is rapidly escalating into a ground invasion of Iran.

For the financial elite, all of this translates into more dividends to be disbursed by Wall Street. The criminal marriage of finance capital and militarism is being openly

flaunted. Grotesque figures such as Trump and Hegseth are not aberrations but the product of the decline of American capitalism and its takeover by the criminal underworld. Those who are personally cashing in on imperialist war and barbarism are capable of anything, including nuclear warfare.

That these revelations center on Hegseth is entirely fitting. A product of Fox News, white Christian nationalism, and the post-9/11 permanent war state, Hegseth has long embodied the fusion of fascist politics and ultra-nationalist militarism. As a commentator, he defended notorious war criminals, excusing the massacres of civilians in Iraq and Afghanistan. As the top US military commander, he is linked to extrajudicial killings of Venezuelan fishermen during US naval operations in the Caribbean, a crime whitewashed by both the media and Congress.

Hegseth has repeatedly invoked biblical scripture to justify the bombings of Iranian cities, describing the campaign as a “divine reckoning” and a “cleansing of evil.” Now, even as he sermonizes about piety and patriotism, he stands exposed for enriching himself through the carnage he commands—a fusion of religious zealotry, capitalist greed and contempt for human life.

In past imperialist wars—going back to the Iran-Contra affair of the 1980s and through the first Gulf War in the early 1990s and then the invasions of Iraq, Afghanistan and Libya after 9/11—profiteering was often conducted by semi-anonymous contractors and executives hidden behind shell corporations. Today, the corruption occurs right out in the open and is carried out by those who plan and direct the wars themselves.

The revolving door that once separated the Pentagon, Wall Street, and the media has been effectively erased; the same individuals are occupying all three spheres simultaneously. Hegseth, like others in the Trump administration, moves between cable studios, corporate boardrooms, and military war rooms without objection within ruling circles.

It is no coincidence that same political and financial figures implicated in protecting and covering up for the sexual crimes of Jeffrey Epstein and his global network of collaborators are now seen in the circles surrounding Hegseth and Trump. The same culture of impunity and degeneracy pervades every level of the American oligarchy.



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