Trump seeks $1.7 billion taxpayer payout for allies and January 6 fascists

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Speaking Thursday at Bangor International Airport in Maine, Vice President JD Vance denounced what he called “fraud” in the federal government.

“Is going after fraud hard?” Vance asked. “And I say unfortunately no, because there is a lot of fraud in the federal government... It’s unbelievable, unbelievable how much you have been fleeced by your own government.”

While Vance railed against the supposed fleecing of taxpayers, his boss was preparing to fleece them on a scale dwarfing the bogus examples invoked by the right wing. Trump, who should be in prison for his role in the January 6 coup, is instead negotiating a settlement that would convert the public treasury into a compensation fund for his political allies and fascist foot soldiers.

According to ABC News, Trump is poised to drop his $10 billion lawsuit against the Internal Revenue Service in exchange for the creation of a $1.7 billion taxpayer-funded “weaponization” compensation fund. The fund could be used to compensate Trump allies, entities associated with the president and, potentially, the January 6 fascists who stormed the Capitol in an attempt to overturn the 2020 election.

The proposed fund would not be distributed through an open, accountable process. ABC News reports that the commission overseeing the money would be appointed under conditions in which Trump could remove its members without cause, and the commission would not be required to disclose its procedures or decision-making process.

A supposed prohibition on Trump receiving money directly is a transparent fraud. ABC reports that while Trump himself would be barred from receiving payments tied to several of his own legal claims, entities associated with him would not be explicitly barred from filing claims. This would allow the president to posture as personally disinterested while building a mechanism through which his allies, his political operatives and, potentially, businesses in his orbit could receive taxpayer money.

The hypocrisy is staggering. Trump, who should have been prosecuted, convicted and imprisoned for his role in the January 6 conspiracy, is instead using the machinery of the state to extract money from the public treasury. Those who joined his attempt to overturn the election are being transformed from criminals into claimants for government compensation.

The class character of the settlement is unmistakable. There was supposedly no money to protect the jobs of 17,000 Spirit Airlines workers after the government refused to provide a $500 million loan. But more than three times that amount is now being prepared for Trump’s allies, January 6 defendants and, potentially, entities associated with the president himself. The ruling class claims there is no money for jobs, health care, schools or social programs, but billions can be mobilized overnight for war, prisons, police and political payoff operations.

The proposed fund follows Trump’s January 20, 2025, proclamation granting sweeping clemency to some 1,600 January 6 defendants. Those granted “full, complete and unconditional” pardons included leaders of the Oath Keepers and Proud Boys militia groups, some of whom were convicted of seditious conspiracy and faced multi-year prison sentences.

Trump is now seeking to move from pardoning the fascist foot soldiers of the failed coup to compensating them. ABC reports that hundreds of January 6 defendants have already begun seeking payouts from the federal government, and that Trump previously told Newsmax that people in government “really like that

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group of people," adding, "They were patriots as far as I was concerned."

The proposed settlement is part of a systematic effort to transform the state into an instrument of personal rule, political retribution and preparation for presidential dictatorship. Earlier this week, it was reported that the Justice Department is pursing what it called a sweeping "criminal conspiracy" case against Trump's perceived enemies. The FBI under Kash Patel has assembled a team described by sources as a "payback squad." A senior FBI official denied that such a unit exists under that name, but confirmed the existence of a Director's Advisory Team examining materials tied to officials who investigated Trump and his allies.

Trump's Justice Department has brought bogus charges against former FBI Director James Comey and New York Attorney General Letitia James, both long vilified by Trump as personal enemies. Trump is also pressing for cases against other political opponents, while the state drops or buries investigations into the higher-level figures involved in his own attempted coup.

At the same time, Trump's allies are openly discussing the use of federal police forces in the 2026 elections. Steve Bannon declared in February, "We're going to have ICE surround the polls come November." Following Bannon's threats, the Trump administration deployed immigration agents to airports to threaten and harass travelers.

The Supreme Court has also cleared the way for a new wave of racial gerrymandering. On April 29, the court gutted enforcement of the Voting Rights Act in *Louisiana v. Callais*, striking down Louisiana's second black-majority congressional district and opening the door to new maps across the South. Within weeks, Republican-controlled legislatures in Louisiana and South Carolina were advancing maps that would eliminate Democratic-held seats and reduce black political representation.

That Trump is in a position to carry out such an operation is above all the responsibility of the Democratic Party. The Biden administration and Attorney General Merrick Garland refused to seriously prosecute the political conspiracy behind January 6, delayed for nearly two years before appointing Special Counsel Jack Smith, and left intact the state apparatus that Trump is now wielding against his opponents. The Democrats' central concern was never defending democratic rights, but instead rehabilitating the Republican Party to pass war budgets and preventing mass opposition to Trump from developing outside the framework of the two-party system.

The proposed $1.7 billion fund is a warning. The same administration that pardoned the January 6 fascists, deploys immigration Gestapo at airports, threatens to surround polling stations with ICE, and categorizes left-wing opposition as "terrorism" is preparing to compensate its shock troops ahead of the midterm elections. The fight against this developing dictatorship cannot be entrusted to the Democratic Party, the courts or any faction of the capitalist state. It requires the independent political mobilization of the working class against both parties of Wall Street and US imperialism.

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