Trump creates unconstitutional $1.776 billion slush fund to pay off fascist allies

Jacob Crosse
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The US Department of Justice announced Monday the creation of an unprecedented and illegal $1.776 billion slush fund to compensate the fascists and far-right forces that make up Donald Trump's political base, including potentially those who stormed the US Capitol on January 6, 2021, in an attempt to overturn the 2020 election.

Never before in US history has a president so openly defied the constitutional power of Congress to appropriate money (the "power of the purse") in order to divert public funds to his own political supporters. Ahead of the 2026 midterm elections, the widely hated Trump is seeking to use taxpayer dollars to buy the allegiance of an extra-parliamentary and paramilitary movement loyal to him personally.

The so-called "Anti-Weaponization Fund" is part of a settlement in a lawsuit filed by Donald Trump, his sons Donald Trump Jr. and Eric Trump, and the Trump Organization against the Internal Revenue Service over the leak of Trump's tax returns. According to the settlement, the plaintiffs will receive a formal apology from the government, but "no monetary payment or damages of any kind." In exchange, they agreed to drop their pending lawsuit.

In substance, this is a "settlement" that Trump negotiated with himself in a case that he filed against his own government. Trump sued the IRS and Treasury Department, both of which he controls, through senior leadership appointed by him, from Treasury Secretary Scott Bessent on down. His former personal lawyer, Todd Blanche, heads the Justice Department that approved the settlement and announced the fund. Through this maneuver, the president has used a personal lawsuit to create a nearly $1.8 billion executive-controlled payout mechanism for his allies.

The arrangement is an unconstitutional usurpation of Congress' spending power. Article I of the Constitution declares, "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law," vesting the spending power in Congress, not the president. The executive branch cannot manufacture a $1.776 billion political compensation scheme by relabeling it a settlement.

The fund will consist of five members appointed by the attorney general, with one member chosen in consultation with congressional leadership. All members can be removed by Trump. A quorum consists of only three members, and a majority of a quorum can act. In other words, two people on a committee appointed by Trump's Justice Department and removable by Trump can authorize decisions involving the distribution of nearly $1.8 billion in taxpayer funds.

The fund is empowered to determine its own procedures for "submitting, receiving, processing, granting, or denying claims." There is no requirement that these rules be publicly established before the claims process begins. The fund is required to send quarterly reports to the attorney general outlining who has received relief and what form of relief was awarded, but this reporting is internal to the same Justice Department headed by Blanche. DOJ's press release states that the fund can be audited only "at the Attorney General's direction."

Even more extraordinary, the agreement declares that because the process is "voluntary," there will be no appeal, arbitration or judicial review of claims, offers or other determinations made by the fund. If the committee awards money to Trump allies, January 6 defendants, neo-Nazis, Proud Boys, Oath Keepers or entities connected to Trump's political or business operations, the settlement purports to bar any challenge through the courts.

Anticipating charges that the fund is unprecedented, the Justice Department invoked the Obama-era *Keepseagle* settlement, claiming there is "legal precedent for such a Fund."

The comparison is fraudulent. *Keepseagle v. Vilsack* was a long-running class-action lawsuit brought by Native American farmers and ranchers who alleged that the Department of Agriculture discriminated against them in farm loans and loan servicing. It involved a defined class of claimants, a defined period of alleged discrimination, years of litigation and court approval. Those who wished to make claims had to fall within specific eligibility limits.

Trump's fund has none of these features. It is not a court-approved settlement for a defined class of victims of a specific government program. It is attached to a personal lawsuit brought by the sitting president against agencies he now controls. It creates no clear class of eligible claimants. It empowers a committee appointed by his own attorney general to make up its own rules. It bars appeal, arbitration and judicial

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review.

The weakness of the DOJ's comparison was so obvious that even right-wing legal commentators rejected it. Ed Whelan of the Ethics and Public Policy Center noted that *Keepseagle* had concrete eligibility requirements and court approval, while the Trump fund appears designed to evade court review and will "generate outrageous abuses—in the amount of 1.776 billion dollars."

At a White House press conference Monday afternoon, Trump sought to distance himself from the fund while openly endorsing its political purpose. Asked about it by a reporter, he claimed, "I know very little about it. I wasn't involved in the whole creation of it and the negotiation."

He then proceeded to justify the fund by repeating a variation of his stolen election lies. "This is reimbursing people that were horribly treated, horribly treated," Trump said. "It's anti-weaponization. They have been weaponized and they have in some cases imprisoned wrongly. They paid legal fees that they didn't have. They went bankrupt, their lives have been destroyed. And they turn out to be right."

Trump claimed that "there has been numerous other occasions over the years where things like this have been done." This is a lie. There has never been, in the nearly 250-year history of the United States, a secretive billion-dollar, executive-controlled fund created without congressional approval to compensate the political supporters of a president, including those convicted of crimes connected to an attempt to overturn an election he lost.

Asked whether January 6 rioters who assaulted police or Trump family members would be eligible to receive money from the fund, Trump did not say no. Instead, he replied that "it will all be dependent on a committee," which he described as "very talented people" and "very highly respected people."

"I do believe there has to be compensation for people that were destroyed," Trump added.

Trump did not exclude members of his own family, nor did he identify any legal restriction preventing payouts to his political allies or entities connected to his own business operation. He merely pointed to the committee, whose members are appointed by his attorney general and removable by Trump himself.

The slush fund is part of the broader looting of society by the Trump administration and the ruling class as a whole. Financial disclosures released last week showed that Trump or his investment advisers made more than 3,700 trades in the first quarter of 2026 alone, involving between $220 million and $750 million in transactions tied to US corporate securities. The trades included major technology, finance and industrial companies with direct interests in federal policy, including Microsoft, Meta, Oracle, Broadcom, Nvidia, Apple, Amazon, Bank of America and Goldman Sachs.

While hundreds of millions of dollars move through Trump-linked accounts and $1.776 billion is made available for a fascist slush fund, the administration is withholding health care money from Democratic-led states under the pretext of fighting "fraud." The Trump administration announced last week that $1.3 billion in Medicaid funding to California would be deferred over alleged fraud concerns, while over $243 million in payments to Minnesota have been halted.

The real fraud is not in California or Minnesota. It is in Washington, centered in the White House itself. Under capitalism, there is no money for Medicaid, but there is always money for war, police, prisons, corporate bailouts and now a nearly $1.8 billion fund to bankroll Trump's fascist entourage.

The Democrats have responded to this brazen theft with their usual combination of performative outrage and paralysis. Senator Chris Murphy wrote on social media that the fund was "outright theft" and accused Trump of stealing "$1.7 BILLION" to create a political slush fund to buy loyalty and favors. Senate Democratic leader Chuck Schumer declared that Trump was "shaking hands with himself" in order to fund an "insurrectionist army."

But neither Murphy, Schumer nor the Democratic leadership has advanced any serious plan to stop it. The Democrats point at the theft and declare it outrageous, while functioning as collaborators in the construction of the police-state apparatus through which it is carried out.

They voted to fund the same Justice Department now headed by Trump's former personal lawyer. This is the department that is creating the slush fund, bringing partisan charges against Trump's political enemies, dropping or weakening cases against his allies and covering up the crimes of the immigration Gestapo and other federal police agencies.

The Democrats inaction reflects the class interests they defend. The Democratic Party is a party of Wall Street, the military-intelligence apparatus and the upper-middle-class layers that orbit them. It fears the independent mobilization of the working class far more than it fears Trump's dictatorship. Its role is to issue statements and channel outrage into dead-end lawsuits and elections.

The $1.776 billion Anti-Weaponization Fund marks a new stage in the transformation of the American state into an instrument of personal rule, political repression and ruling class plunder. Trump is not an aberration, but the most criminal and fascistic expression of the capitalist oligarchy that dominates American society. The fight against this looting and the dictatorship it serves requires the independent political mobilization of the working class against both parties and the capitalist system they defend.

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