Involves Donald Trump, Don Jr., Eric

Trump settles his own lawsuit against the IRS with an audit bar, then a judge finds bad faith

A Documented

The weaker link is documented, not adjudicated: the settlement agreement (Justice Department) and the July 13 order, which describes the May 19 audit provision and rules on it, are primary records read directly. The court's findings of bad faith and that the audit provision conflicts with federal law are adjudicated (tier E for those findings) but are on appeal. The May 19 order itself was not opened here.

10 sources **2** primary records **10** with an archived copy

REACHED THE FAMILY

not dated

Amount not disclosed

The value of ending pending audits is not known. The settlement gave the plaintiffs an apology and no money, and created a taxpayer-funded "Anti-Weaponization Fund," reported at $1.776 billion; Blanche rescinded the order creating it on August 2, 2026, saying no claims were paid. The legal force of the audit protection is unclear while the appeal is pending: the court barred the parties from citing the settlement in any official proceeding and found the audit provision conflicts with federal law, and the Eleventh Circuit declined to pause that ruling, while the Justice Department says the protection still covers the named plaintiffs for past returns. Forbes reported on Oct 19, 2026 that the Trump Organization donated a conservation easement on Trump National Golf Club in Jupiter, Florida, in December 2025, giving up the right to develop the course further while keeping ownership and operation of the club; Trump filed the IRS suit the following month. Forbes estimates the deduction could reach around $825 million, give or take a couple hundred million. That is an estimated deduction, not a payment to the family, and is not added to the amount. Forbes reads the settlement as barring claims arising from matters pending or that "could be pending" and argues this could reach Trump's 2025 return, for which it says he appears to have obtained an extension; Attorney General Todd Blanche told Congress the agreement does not cover the president's 2025 returns.

FROM Internal Revenue Service (U.S. government) (U.S. government)

CHANNEL settlement of the president's lawsuit against his own government

OFFICIAL ACTION

May 19, 2026

Settlement of Trump's $10 billion lawsuit against the IRS (May 18, 2026), plus a one-page order signed May 19 by Acting Attorney General Todd Blanche barring the government from pursuing existing audits and examinations of Trump, related individuals and affiliated trusts and businesses for returns filed before the settlement. On July 13, 2026, Judge Kathleen M. Williams (S.D. Fla.) found the suit was brought in bad faith, found the audit provision conflicts with 26 U.S.C. 7217, and barred the parties from citing the settlement in any official proceeding; the plaintiffs have appealed. Blanche rescinded the order creating the settlement's fund on August 2, 2026

AGENCY Department of Justice; Internal Revenue Service

WHAT HAPPENED

Trump sued the IRS, an agency within his own administration, for $10 billion; Don Jr., Eric and the Trump Organization joined as plaintiffs. On May 18, 2026, the Justice Department settled. The agreement gave the plaintiffs a formal apology and no money, and created a

taxpayer-funded "Anti-Weaponization Fund," reported at $1.776 billion, to compensate people who say they were targeted by politically motivated investigations.

The next day a one-page order appeared, signed only by Acting Attorney General Todd Blanche, Trump's former personal lawyer. It bars the government from pursuing existing audits and examinations of Trump, related individuals and affiliated trusts and businesses, covering returns filed before the settlement. The department says it does not cover future audits. Senators from both parties raised questions, and Rep. Don Bacon, a Republican, said an independent arbitrator should have handled it.

After 35 former federal judges challenged the deal, Judge Kathleen Williams of the Southern District of Florida ruled on July 13, 2026 that the suit was brought in bad faith and was not a genuine dispute, because the president controlled both sides. She found the audit provision conflicts with a federal law barring the president from asking the IRS to end an audit, barred the parties from citing the settlement in any official proceeding, referred plaintiffs' lawyer Alejandro Brito to the Florida Bar, and barred lawyer Daniel Epstein from seeking admission to that court for a year. She called Blanche's testimony to Congress about the deal at best misleading.

The plaintiffs appealed on July 31, and on September 29 the Eleventh Circuit declined to pause the ruling while the appeal proceeds. On August 2, as two Republican senators sought assurances before his confirmation vote, Blanche rescinded the order creating the fund and said no claims had been paid; the department said the audit protection covers only past returns of the named plaintiffs.

Separately, Forbes reported on Oct 19, 2026 that the Trump Organization donated a conservation easement on its golf club in Jupiter, Florida, in December 2025, giving up the right to develop the course further while keeping the club; Trump filed this suit the following month. Forbes estimates the deduction could reach around $825 million, an estimate that is not counted here. It reads the settlement's bar on claims over matters that "could be pending" as possibly reaching Trump's 2025 return; Attorney General Blanche told Congress the agreement does not cover the 2025 returns.

POTENTIAL VIOLATION

Conflict of interest in a president settling his own lawsuit against an agency he oversees (raised by Reed and Bacon; no statute cited). The court found the suit was brought for an improper purpose and in bad faith, and that the audit provision contravenes the law barring the president from asking the IRS to end an audit; both findings are on appeal.

STATUTE OR CLAUSE	Fed. R. Civ. P. 11; 26 U.S.C. 7217 (cited by the court)
RAISED BY	Sen. Jack Reed; Rep. Don Bacon (who called for an independent arbitrator); Judge Kathleen M. Williams, U.S. District Court for the Southern District of Florida (order, July 13, 2026), as findings of the court

This is a potential violation as described by the party named. No charge has been filed in this entry; the ledger does not call anything a crime below tier D.

THEIR RESPONSE

The Justice Department says the addendum covers only existing audits, not future ones, and that Trump will not receive money from the fund. Blanche defended the agreement's legality before Congress. After the July 13 ruling, a department spokesperson denied any collusion, said a live dispute existed and the plaintiffs received no money, and said the judge had disregarded decades of precedent. In August the department said no fund members were appointed and no claims were paid, and that the audit protection applies only to past returns of the named plaintiffs. On appeal, the department argued the judge lacks authority to collaterally attack the settlement. A statement from Trump's legal team blamed an IRS employee's leak of his tax information for the suit. Forbes reports that spokespeople for the White House and the Trump Organization did not answer its questions about the Jupiter easement (Oct 2026).

SOURCES

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DOJ Drops Trump Tax Audits in Expansion of IRS Lawsuit Settlement
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Euronews May 20, 2026 news
https://www.euronews.com/business/2026/05/20/irs-settlement-blocks-tax-audits-targeting-trump-and-family-members
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U.S. Department of Justice May 18, 2026 primary
Settlement Agreement, Trump v. Internal Revenue Service, No. 1:26-cv-20609-KMW (S.D. Fla.)
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U.S. District Court for the Southern District of Florida (via CourtListener) Jul 13, 2026 primary
Order, Trump v. Internal Revenue Service, No. 1:26-cv-20609-KMW (ECF 106)
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Read through CourtListener's RECAP copy. The readable text ends partway through the second numbered ordering paragraph, so the bar on citing the settlement is taken from Bloomberg Law and States Newsroom

States Newsroom (via Florida Phoenix) Jul 13, 2026 news
Judge blasts Trump for using the presidency to manipulate courts in IRS case
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Trump's Golf Empire Is A Billion-Dollar Tax Shelter
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Last verified Oct 24, 2026.

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Committees with jurisdiction over this kind of action:

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