Regulation

Republicans take on Veterans Affairs gun ban

• The Obama administration is facing congressional scrutiny for blocking more than a quarter-million veterans from owning guns.

The Department of Veterans Affairs (VA) has reported more than 257,000 former members of the military who cannot manage their finances to the FBI’s list of people not allowed to own guns. Republicans claim, even though “it has nothing to do with regulating firearms.”

• The National Instant Criminal Background Check System (NICS) is effectively a national gun ban list and placement on the list prevents the individual from possessing firearms.

The VA is responsible for appointing a fiduciary to help veterans who it determines cannot manage their own finances, but the agency is also adding the additional step of reporting these veterans to the FBI’s “mental defective” category of the FBI’s background check system, even if they do not pose a danger to society, the senators allege.

The Senators called the practice “highly suspect” and said veterans’ ability to manage their own finances is “totally unrelated to whether they should be allowed to own a gun.”

In another letter to Senate appropriators, Grassley asked lawmakers to block the VA from continuing this practice.

— Tim Devaney

Healthcare

Obamacare site logs 316 cyber incidents

• The Web portal used by millions to purchase health insurance under the Affordable Care Act logged 316 cybersecurity incidents during its 16-week open enrollment period, a Government Accountability Office (GAO) report revealed Wednesday.

None of the 316 attempts compromised sensitive information, but they did highlight the need for more robust data of those shopping for health plans on the site, according to the report. Most of the incidents involved electronic probing of the site’s systems by potential attackers looking for weaknesses.

While the watchdog did find a number of flaws in how the Centers for Medicare and Medicaid Services (CMS), which administers HealthCare.gov, protects users’ data, the report concluded the site is “not working.”

CMS has also failed to adequately monitor security controls at state-based insurance marketplaces, according to the watchdog.

In a previous report, the GAO found three states with “significant weaknesses,” including insufficient encryption and inadequately configured firewalls.

The exchange site has been under fire from regulators since its disastrous rollout in 2013. The GAO also issued a second less-public report, offering 27 recommendations nothing to secure the data hub.

— Kate Bo Williams

Finance

Gop presses IRS on improper payments

• Republicans on the House Ways and Means Committee are asking the Internal Revenue Service (IRS) about its use of a tool that lowers the rate of improper payments of the earned income tax credit (EITC).

The lawmakers said in a letter to IRS Commissioner John Koskinen that it is not understandable that the “Do Not Pay” portal “is not being fully utilized by the IRS.”

The portal, housed at the Treasury Department, provides federal agencies with access to databases containing information such as employment data. The agencies can use this data to determine whether payments should be made to beneficiaries.

The EITC benefits low- and middle-income families. According to data cited in the letter, the EITC’s improper payment rate was more than 27 percent in 2014, and about 30 percent of the improper payments were due to income verification errors.

The IRS makes EITC payments based on applicants’ self-reported income and does not confirm income levels until after the payments are made—a process that the lawmakers said is “not working.”

Republicans asked the IRS to confirm its current use of the “Do Not Pay” portal and to provide information about the steps it is taking to reduce the EITC improper payment rate.

— Naomi Jagoda

Environment

Michigan task force blames state government for Flint water crisis

• A task force appointed by Michigan’s governor found that the state’s government is “fundamentally accountable” for Flint’s drinking water crisis.

In a comprehensive report released Wednesday, the task force primarily blamed the state’s emergency managers for not doing enough to ensure that state-appointed managers and officials were “fully ranging authority over Flint affairs.”

But it also blamed the state’s environmental and health agencies for not providing adequate water information about the lead content of Flint’s water, the health impacts to city residents and other important data.

“The Flint water crisis is a story of government failure, intransigence, unpreparedness, delay, inaction and environmental injustice,” Chris Kolb, co-chairman of the task force, told reporters, according to Michigan Radio.

The emergency managers made key decisions that contributed to the crisis, from the use of the Flint River to delays in reconnecting to the Detroit Water and Sewerage Department.

— Timothy Cama

Elections

Democrats take on Veterans Affairs gun ban

Sen. John McCain (R-Ariz.) and Sen. Chuck Grassley (R-Iowa) wrote in a recent letter to VA Secretary Robert McDonald.

The senators called the practice “highly suspect” and said veterans’ ability to manage their own finances is “totally unrelated to whether they should be allowed to own a gun.”

In another letter to Senate appropriators, Grassley asked lawmakers to block the VA from continuing this practice.

— Tim Devaney

Securities and Exchange Commission

Financial regulators are proposing new rules for brokers. The SEC’s new rules would affect automated quotations in the trading process. The public has 30 days to comment.

Energy Department

The administration is proposing new efficiency rules for boilers. The Energy Department’s Office of Energy Efficiency and Renewable Energy proposed new energy conservation standards for commercial packaged boilers. The efficiency rules could cost manufacturers more than $27 million in conversion costs, according to the agency. The public has 60 days to comment.

REG WATCH

Greens fight Gulfgulf drilling lease auction

• A group of environmentalists is protesting the federal government’s auction of up to 45 million acres in the Gulf of Mexico for oil and gas exploration and development.

But greens want the sale canceled, saying it’s out of line with the climate policies pursued by the Obama administration.

Activists organized a rally outside the Mercedes-Benz Superdome in New Orleans to protest the sales. They want the sale lease called off, a moratorium on future leases and a commitment from the oil and gas industry that will create at least 1,000 jobs to fix aging energy infrastructure.

While the fossil fuel industry seeks to continue its unchecked expansion, the people of the Gulf and allies across the country are standing up to send a simple message: the Gulf is NOT an energy sacrifice zone and deserves protection.

Various groups have called on the administration to update the selection criteria to include a sponsor that could help lower the rate of improper payments of the earned income tax credit.

— Tim Devaney

Michigan task force blames state government for Flint water crisis

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In a comprehensive report released Wednesday, the task force primarily blamed the state’s emergency managers for not doing enough to ensure that state-appointed managers and officials were “fully ranging authority over Flint affairs.”

But it also blamed the state’s environmental and health agencies for not providing adequate water information about the lead content of Flint’s water, the health impacts to city residents and other important data.

“The Flint water crisis is a story of government failure, intransigence, unpreparedness, delay, inaction and environmental injustice,” Chris Kolb, co-chairman of the task force, told reporters, according to Michigan Radio.

The emergency managers made key decisions that contributed to the crisis, from the use of the Flint River to delays in reconnecting to the Detroit Water and Sewerage Department.

The agency said it has received 148 bids on blocks up for auction so far, The Associated Press reports.

Individual states have defend the lease sale.

The National Ocean Industries Association and the National Marine Manufacturers Association have also weighed in on the matter.

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The emergency managers made key decisions that contributed to the crisis, from the use of the Flint River to delays in reconnecting to the Detroit Water and Sewerage Department.

The task force laid blame firmly on the state.

Snyder said his agencies are already working to fix the problem.

“Many of the recommendations made in this report are already being implemented, both within my office and in various state departments,” he said in a statement.

Rep. Dan Kildee (D), who represents Flint in the House, said the report reinforces what many in Flint already knew.

“Accountability is important to ensuring that a similar crisis never happens again. But the state of Michigan, who created this crisis, must step up and do more to help Flint_atomic recovery,” he said in a statement.

The exchange site has been under fire from regulators since its disastrous rollout in 2013.

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— Kate Bo Williams
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