

# Report Summary

Social Security Administration Office of the Inspector General

February 2011



## Objective

To assess the Social Security Administration's (SSA) implementation of Phase I of the Martinez settlement agreement.

## Background

The Martinez class action lawsuit challenged SSA's fugitive felon policy of basing payment suspensions solely on the existence of an outstanding felony arrest warrant rather than developing information to ensure that the individual was "fleeing." As a result, the parties reached a settlement in September 2009 in which SSA changed its policy to suspend Old-Age, Survivors and Disability Insurance (OASDI) benefits and deny Supplemental Security Income payments only if the outstanding felony warrant for the individual was issued for escape or flight to avoid prosecution, confinement, etc.

SSA is fulfilling the terms of the settlement agreement in four phases.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-01-10-10160.pdf>

## Implementation of Phase I of the Martinez Settlement Agreement (A-01-10-10160)

### Our Findings

Despite the complexities of Martinez Settlement cases, SSA provided appropriate settlement relief to about 91 percent of the Phase I class members. Specifically, based on our sample, we estimate SSA provided settlement relief totaling approximately \$321.6 million in Phase I of the Martinez Settlement implementation. SSA appropriately provided relief to about 27,524 (91 percent) OASDI class members. However, approximately

- 1,864 (6 percent) received about \$14.3 million more settlement relief than was due, and
- 768 (3 percent) did not receive about \$828,600 in settlement relief that was due.

Overall, about 2,632 individuals did not receive the accurate amount of settlement relief due them. The net result was that SSA provided about \$13.5 million more in settlement relief than was due.

### Our Recommendations

We recommend SSA

1. Review and update its policies and procedures, where necessary, to ensure settlement relief is properly paid.
2. Correct the cases in the population that were incorrectly paid settlement relief.

SSA agreed with the recommendations.