

The Social Security Administration's Compliance with the Martinez Fugitive Settlement

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Office of Audit Report Summary

Objective

To assess the Social Security Administration's (SSA) full compliance with the *Martinez* settlement.

Background

In September 2009, a U.S. District Court approved the *Martinez v. Astrue* nation-wide class action settlement agreement. The *Martinez* 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 the individual was "fleeing."

SSA processed *Martinez* settlement relief in four phases. The first phase included beneficiaries whose Old-Age, Survivors and Disability Insurance (OASDI) benefits were suspended after 2006 because of fugitive felon status. The second phase included recipients whose Supplemental Security Income (SSI) payments were suspended or denied after 2006 because of fugitive felon status. The third phase included beneficiaries whose OASDI benefits were suspended or denied between January 1, 2005 and December 31, 2006 because of fugitive felon status. The fourth phase included recipients whose SSI payments were suspended or denied between January 1, 2000 and December 31, 2006 because of fugitive felon status.

Findings

Based on our sample results, we estimate SSA provided approximately \$224.7 million in relief. SSA provided appropriate relief to about 98,260 (93 percent) of the *Martinez* class members. However, SSA improperly processed or did not process approximately \$51 million in relief to about 7,700 (7 percent) of the *Martinez* class members.

In reviewing sample cases that were incorrectly paid, we did not identify any trends or common characteristics. Hence, we were not able to identify any cases for corrective action beyond the 20 we identified during our review of the 275 sample cases. The only way we found to identify additional beneficiaries who were over/underpaid would be to re-review each case. Because of the costs involved in such a review compared to the dollars identified as over/underpaid, we did not recommend SSA take such action unless it can identify a more cost-effective method.

Recommendation

We recommend SSA review and take appropriate corrective action on the 20 cases we sent it in January 2016.

SSA agreed with the recommendation.