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Santa Clara County Achieves Victory In Social Security Administration Settlement

SANTA CLARA COUNTY, CALIF. -- The County of Santa Clara achieved a victory for its residents as well as for disabled individuals nationwide by weighing in to improve the terms of a major class action settlement agreement approved in federal court late yesterday. After the County objected, the federal Social Security Administration (“SSA”) committed to providing better notice about the settlement to indigent individuals who had been unjustly denied federal benefits because of outstanding warrants. A class action lawyer who volunteered with the County in this case estimated that the improved notice provisions could result in as much as \$50 million more in payments to people who were wrongly cut off or denied federal benefits. This amount is in addition to the important monthly benefits they can obtain only if they know, through proper outreach, that they should apply.

The lawsuit was filed by a group of nonprofits, and the SSA agreed in August to provide back benefits and to restore future benefits to an estimated 200,000 individuals wrongly denied such relief for years. However, the proposed settlement had inadequate provisions for notifying those individuals about their rights under the agreement. During the public objections period, the County filed its concerns with the court. The federal government has now agreed to go beyond the explicit terms of the settlement agreement and will try to locate class members whose whereabouts are unknown.

“We are the only organization to file an objection with the court on behalf of those who were unjustly denied access to benefits and are pleased with the positive outcome,” said Supervisor Liz Kniss, President of the County of Santa Clara Board of Supervisors. “Often those denied benefits seek financial assistance from counties. The agreement will result in potential savings for the County as well as a fair opportunity to those previously denied.”

The County filed objections in the case to ensure that County residents entitled to these benefits learned about their rights under the settlement. SSA had promised only to use the “last known address” it had on record for an estimated 80,000 individuals who have been denied benefits since 2007, and it was silent on the question of whether or not they would follow up on undeliverable addresses. Another estimated 120,000 individuals had been denied benefits between 2000 and January 2007, and SSA had specifically indicated that no follow up would be conducted to try to locate people in this group.

“We do not believe that some class members are more deserving of notice of the settlement agreement than others,” said Acting County Counsel Miguel Márquez. “When the federal government changes a bad policy and promises to restore disability and old

age benefits to people who desperately need them, it should be in the business of trying to find those people."

In response to the County's objections, SSA informed the Court that it would use its standard notification and follow up procedures for the 80,000 class members denied benefits since early 2007. The Court approved the settlement only after SSA provided assurances that it planned to use these notice procedures. The Court also directed the SSA to come back in 45 days to report on its proposed plan for notifying and following up with the 120,000 class members who were denied benefits prior to 2007.

"This is moral victory for the County of Santa Clara because what we did will help thousands of people entitled to federal benefits that are far more substantial than what the County can provide," said County Executive Jeff Smith. "At the same time, we saved taxpayer dollars because when the federal government locates and meets its obligation to these vulnerable residents, some significant portion of the \$7.9 million the County spent on General Assistance payments in 2009, not to mention for other support services such as Emergency Room treatment, will no longer be necessary."

Until individuals who have been denied benefits have been identified, the full fiscal impact of the settlement will not be known. The County's special counsel, S. Chandler Visher, estimates that the difference between the sort of notice the settlement agreement explicitly required and what the federal government now agrees the settlement requires it to provide could translate into an additional 5,000 individuals reached, and up to \$50 million more in benefits distributed to eligible individuals nationwide.

People who have been denied federal benefits like SSI because of outstanding warrants should contact their local SSA District Office, and also the national SSA at 1 (800) 772-1213, immediately to ensure that their correct addresses are on file and to make an appointment after consulting with the SSA staff. More information is available about the case, *Martinez v. Astrue*, on the National Senior Citizens Law Center website.