



## Employer Incentive

### **Federal Bonding Program**

Ex-offender job seekers who have in the past committed a crime, which cast doubt upon their credibility or honesty, often experience barriers to gaining employment. Ex-offenders are routinely classified as “at risk” job applicants and employers view these applicants as being potentially untrustworthy workers. The results are ex-offender job applicants are routinely denied employment.

The U.S. Department of Labor (U.S. DOL) sought a means of eliminating bonding as a barrier to employment as to ease employer concerns that at risk job applicants would be untrustworthy workers. In 1966, the U.S. Department of Labor created the Federal Bonding Program (FBP) that would cover anyone who was at risk and formerly classified as NOT BONDABLE.

In August 1998, the Ohio Department of Rehabilitation and Correction was authorized by the National Director of the Federal Bonding Program to manage a program for Ohio. Ohio's eligibility criteria are that the ex-offender's criminal history must be verifiable; the ex-offender is not self-employed; and the job verification and request for bonding occurs before the first day of work. Bonding coverage is processed the day of the request and is effective on the ex-offender's first day of work. Fidelity Bond Insurance is effective for six (6) months with a coverage amount of \$5000. Additional coverage amounts may be awarded on a case review basis.

The Federal Bonding Program is currently administered in the Ohio Department of Rehabilitation and Correction. To obtain information contact the Bureau of Quality & Community Partnerships at (614) 728-1534.

## **Federal Bonding Program Overview**

Ex-offender job seekers who have in the past committed a crime and have demonstrated other past behavior which cast doubt upon their credibility or honesty, often experience a special barrier to gaining employment due to their personal backgrounds. Ex-offenders are routinely classified as “at risk” job applicants. Their past life experience raises an obstacle to their future ability to secure employment. More specifically, employers view these applicants as being potentially untrustworthy workers. As a result, ex-offender job applicants are routinely denied employment. This factor and others prompted the U. S. Department of Labor (U.S. DOL) to find a means of eliminating bonding as a barrier to employment and to ease employer concerns that at risk job applicants would be untrustworthy workers. In 1966, U.S. Department of Labor created the Federal Bonding Program (FBP) that would cover anyone who was at risk and formerly classified as NOT BONDABLE. In August 1998, the Ohio Department of Rehabilitation and Correction was authorized by the national director of the Federal Bonding Program to manage the program for Ohio.

## **Federal Bonding Program Frequently Asked Questions**

- 1. *What is the Federal Bonding Program?***
  - It is a unique tool to help an ex-offender get and keep a job. The program
  - issues Fidelity Bonds, and is sponsored by the U. S. Department of Labor.
  
- 2. *What is a Fidelity Bond?***
  - It is a business insurance policy that protects the employer in case of any loss of money or property due to employee (ex-offender) dishonesty.
  
  - The Fidelity Bonds issued under the Federal Bonding Program are insurance policies of the Travelers Property

Casualty insurance company. The McLaughlin Company in Washington, DC, is the agent for Travelers in managing the program nationwide.

**3. *What exactly does the bond insurance cover?***

- It insures the employer for any type of stealing by theft, forgery, larceny or embezzlement. It does not cover liability due to poor workmanship, job injuries or work accidents. It is not a bail bond or court bond for the legal system. It is not a contract bond, performance bond or license bond sometimes needed to be self-employed.

**4. *Who can be covered?***

- Only ex-offenders. It does not matter the nature of the arrest, conviction or how long ago the event occurred. The worker must be hired for a full-time permanent position and the employer must have federal taxes automatically withheld from the ex-offender's paycheck to qualify for the program. Therefore, individuals that are self employed or those subcontracting with other companies are not covered by the federal bonding program.

**5. *How much bond insurance coverage will be issued?***

- \$5,000 bond coverage is issued., with NO DEDUCTIBLE amount of liability for the employer.

**6. *How much does it cost?***

- The bond is free!!! It does not cost the employer or ex-offender anything.

**7. *How long is coverage?***

- The coverage is for **six (6) months from the first day of employment.**

**8. *What happens after 6 months?***

- The bond automatically expires. If the employer wishes coverage to continue the employer must purchase coverage from McLaughlin Company in Washington, DC.

**9. Can the bond be transferred?**

- No

**10. Can bonding be issued to cover an already employed worker?**

- The main purpose for the Federal Bonding Program is to help secure employment for ex-offenders who are having a hard time getting a job due to their criminal background.
- However, a bond can be issued to cover a current Ex-offender employee who is NOT BONDABLE under the employer's insurance, and needs the program's bonding in order to secure a promotion to a new job requiring bonding or to prevent being laid off.

**11. How do I apply?**

- A valid full-time job offer must exist before the application process is initiated. **Contact must be made with the Office of Policy and Offender Reentry at (614) 728-1534 PRIOR to the applicants first day of work to initiate the process and the application will be completed over the telephone by a staff member.**
- The employer must provide information verification information regarding the new hire during the telephone application process. Verification by the employer in writing (on company letterhead) that a job offer has been made to the ex-offender is then forwarded to the Office of Policy and Offender Reentry by fax at (614) 728-1033 in order to finalize the process. Additional information required includes the company contact name and telephone number, the full name, date of birth, and social security number of the ex-offender job applicant, the date a job offer was made and the ex-offender's start date to initiate the federal bond coverage.