



Federal Bonding Program

WHAT IS FIDELITY BONDING?

- Insurance to protect an employer against employee dishonesty covers any type of stealing: theft, forgery, larceny, and embezzlement
- In effect, a guarantee of worker job honesty
- An incentive to the employer to hire an at-risk applicant
- A unique tool for marketing applicants to employers
- DOES NOT cover "liability" due to poor workmanship, job injuries, work accidents, etc.
- Is NOT a bail bond or court bond needed in adjudication
- Is NOT a bond needed for self-employment (contract bond, license bond or performance bond)

FIDELITY BONDING SERVICES ARE USER FRIENDLY

- NO screening of applicants to be placed in jobs with Fidelity Bond use
- NO papers for employer to sign to obtain free bond incentive for job hire
- NO follow-up and NO termination actions required by bond issued
- NO deductible in bond insurance amount if employee dishonesty occurs
- NO age requirements for bonded other than legal working age in State
- NO other U.S. program provides Fidelity Bonding services
- ANY job at ANY employer in ANY State can be covered by the bond

WHY IS FIDELITY BONDING NEEDED FOR JOB PLACEMENT?

- Employers view ex-offenders and other at-risk job applicants as potentially untrustworthy workers, thereby, denying them job-hire
- insurance companies will not cover risky job applicants under commercial Fidelity Bonds purchased by employers to protect themselves against employee dishonesty
- Anyone who has ever "committed a fraudulent or dishonest act" is deemed NOT BONDABLE by insurance companies, a situation leading to routine denial of employment opportunities for such individuals
- Being NOT BONDABLE is a significant barrier to employment possessed by the hardest-to-place job applicants; this barrier can be eliminated only by the Federal Bonding Program
- Job bonding enables employer to "obtain worker skills without taking risk"
- Persons who are NOT BONDABLE can ultimately become commercially BONDABLE for life by demonstrating job honesty during the 6 months of bond coverage under the Federal Bonding Program (such commercial bonding will be made available by the TRAVELERS Insurance Company.)

WHO IS ELIGIBLE FOR BONDING SERVICES?

- Any at-risk job applicant is eligible for bonding services, including: ex-offenders; ex-addicts (alcohol and/or drugs); welfare recipients and other persons having poor credit poor youth who lack a work history; individuals dishonorably discharged from the military
- Anyone who cannot secure employment without bonding
- All persons bonded must meet the legal working age set by the State in which the job exists
- Self-employed persons are NOT ELIGIBLE for bonding services (bonded must be an employee who earns wages with Federal taxes automatically deducted from paycheck)

- Bonds can be issued to cover already employed workers who need bonding in order to (a) prevent being laid off, or (b) secure promotion to a new job at their company
- Bonding coverage can apply to any job at any employer in any State

HOW CAN BONDS BE ACCESSED UNDER THE FEDERAL BONDING PROGRAM?

- Any agency is now eligible to deliver bonding services under the Federal Bonding Program: for many years bonding services were almost exclusively delivered by the State Employment Service
- All agencies issuing Fidelity Bonds must be "certified" to do so by the Federal Bonding Program
- The Fidelity Bonds issued to employers covering at-risk applicants are insurance policies of the TRAVELERS insurance co., made available exclusively to the Federal Bonding Program which is not duplicated by any other U.S. program
- Bonds are issued instantly to be in effect the day that the applicant has started work. The bonds are self-terminating (no termination paperwork needed), and the employer does not sign any papers in order to receive the bond free-of-charge
- The bond insurance issued ranges from 5,000 to 25,000 (depending on extenuating circumstances) coverage for a 6-month period with no deductible amount (employer gets 100% insurance coverage); when this bond coverage expires, continued bond coverage can be purchased from TRAVELERS by the employer if the worker demonstrated job honesty under coverage provided by the Federal Bonding Program
- Bond can be issued to the employer as soon as the applicant has begun working. The local office must call the employer and verify that the applicant has begun working.

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