FEDERAL BONDING PROGRAM

DLR received a federal grant for the purpose of purchasing fidelity bonds for the Federal Bonding Program (FBP) from April 7, 2021, thru April 6, 2025. Allowable activity is purchasing fidelity bonds to assist persons with criminal records, including individuals recovering from opioid and other drug addictions, obtain employment.

BONDING

Federal Bonding is a business insurance policy that protects the employer in case of any loss of money or property due to employee dishonesty including any type of stealing by theft, forgery, larceny, or embezzlement. The mission of the FBP is to give employers protection by bonding job candidates considered to be higher risk. There are not out of pocket expenses for the employer because FBP bonds are provided free of charge and carry a $0 deductible. By employing individuals eligible for a FBP, these businesses are building their workforce and contributing to the health of their community.

The FBP bond insurance limit ranges from $5,000 to $25,000 (1 bond=$5,000) for a 6-month period with no deductible. When the bond expires, continued coverage may be purchased by the employer at the commercial rate if the worker demonstrated job honesty under the FBP coverage period. Any employee dishonesty committed on or away from the work site is covered if the employer presses charges.

ELIGIBILITY

Participants must:
• Be Justice Involved or are in recovery from an opioid addiction
• Have an offer of employment contingent on receiving the Fidelity Bond.

Employment must be for paid wages with federal taxes automatically deducted. Work can be:
• In any state
• Full or part time
• Hired by a temporary agency

BOND ISSUE

A fidelity bond can be requested by DLR job service staff when the individual meets the eligibility criteria identified above.

To request a bond, DLR job service office staff will complete FBP Request Bond to Be Issued (Form 67). This form is only available to DLR staff.

Once the bond has been issued by the insurance company, a paper copy of the bond will be sent to the employer via mail.