

THE FEDERAL BONDING PROGRAM



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Georgia
DOL
DEPARTMENT OF LABOR
COMMISSIONER MARK BUTLER

Equal Opportunity Employer/Program
Auxiliary Aids & Services Are Available Upon Request To Individuals With Disabilities

THE FEDERAL BONDING PROGRAM

The Federal Bonding Program (FBP) is a unique tool that has proved to be a great success in assisting high-risk individuals secure steady employment. Since the program's inception in 1966, the default rate, calculated by an independent research team, has consistently remained under 2 percent. This benefit provides at-risk individuals fidelity bonding insurance coverage (sometimes called dishonesty bonding). These applicants have been or may be denied commercial coverage due to an unlawful record, history of substance abuse, poor credit, lack of employment history, or dishonorable military discharge.

Many employers carry insurance to protect themselves against employee dishonesty, theft, and embezzlement. However, insurance companies which provide coverage often refuse to cover high-risk job applicants. Therefore, some employers are not able to hire those individuals who cannot be covered.

The Federal Bonding Program was specifically designed for such situations. Travelers Casualty and Surety Company of America has agreed to provide this insurance at no cost to the employer or the applicant.

Bonding assistance may be provided to any individual who is qualified for the employment in question, not commercially bondable, and has a firm job offer. The job must offer full-time work, adequate working conditions and wages, reasonable expectation of permanence, and excludes both self-employment and employment as a franchise representative.



Requests for bonding may be made by the job applicant or the prospective employer to the Georgia DOL on behalf of the applicant/employee. Providing the applicant and the job meet eligibility criteria, bonding coverage becomes effective immediately following Georgia DOL certification and the applicant's first day of work. After the applicant is enrolled in the FBP, the bond is mailed directly to the employer.

The bond is written for a six-month period. At the end of six months, employers may purchase a transfer bond for one or more successive six-month periods at the discretion of the insurer. The use of the transfer bond in this manner enables an employee to become permanently bondable. Requests for subsequent bonds may be made, in writing to: The McLaughlin Company, 9210 Corporate Blvd., Suite 250 Rockville, MD 20850. The McLaughlin Company will provide the coverage at regular commercial bonding rates.

For further information on the Federal Bonding Program, please contact a local Georgia DOL career center or submit your inquiry, through email, to employment@gdol.ga.gov.

You can access a complete listing of the Georgia DOL Career Centers and Vocational Rehabilitation Offices, at the following websites:

http://www.dol.state.ga.us/find_career_centers.htm

http://www.dol.state.ga.us/find_voc_rehab_offices.htm

Individuals must meet one of the following criteria to qualify.

- * Criminal background
- * Alcohol or drug use
- * Poor credit history
- * Dishonorable military discharge
- * Lack of employment history
- * Temporary Assistance to Needy Families (TANF) Recipients

FREQUENTLY ASKED QUESTIONS

1. **What does the bond cover?**

It insures the employer for any type of theft, forgery, larceny or embezzlement for a six-month period. 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.

2. **Can the bond be issued at any time?**

For the bond to be issued, the employer must make the applicant a job offer with a date for the individual to start work. A bond will not be issued without a firm offer of a job or a start date.

3. **What does it cost?**

The Federal Bonding Program is a service provided by the Georgia Department of Labor at no cost to the employer or applicant.