

FEDERAL BONDING PROGRAM

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The Federal Bonding Program provides individual fidelity (honesty) bonds to employers for job applicants who have a barrier to employment, at no charge for a 6 month period. Any at-risk job applicant is eligible for bonding services, including:

- Ex-offenders
- Ex-addicts
- Welfare recipients
- People with poor credit or credit histories
- Those who lack a work history
- Individuals with a dishonorable discharge from the military
- Anyone who cannot secure employment because they are not commercially bondable*

*Persons who are not bondable can ultimately become commercially bondable, by demonstrating job honesty during coverage under the Federal Bonding Program.

What is bonding about? Many employers carry insurance to protect themselves against employee theft or dishonesty. Employees who handle money or valuable tools or goods are covered. This insurance is called fidelity bonding. When such commercial insurance is denied because of an individual's background, the employer often denies a job to that person. Federal Bonding covers any type of stealing: theft; forgery; larceny; and embezzlement on-the-job.

It is, in effect, a guarantee of worker job honesty.

- Federal Bonding does NOT cover liability due to poor workmanship, job injuries, or work accidents.
- It is not a bail bond or court bond.

What does the jobseeker and employer need to do?

- **Jobseeker** – If you are being turned down because you are not bondable or employers feel there is too much risk, contact the Oklahoma Employment Security Commission (OESC) Federal Bonding Unit for additional information. We can also provide you with a letter to share with potential employers identifying you as bondable under this program.
- **Employer** – Contact OESC Federal Bonding Unit to receive additional information about the program. Fidelity bonding can be provided for an individual with a firm job offer and who is qualified to do the job. The job offer must be at least 30 hours per week, steady work, with a reasonable expectation of performance. There is no deductible in bond insurance amount is employee dishonesty occurs. There is no follow-up and no termination actions required.

OESC Federal Bonding Unit will complete the application after contact by the employer. The application procedure is simple and quick. It can be completed by telephone, fax or email. Bond amounts are typically for \$5,000, but in certain circumstances may cover more. Bonding starts the first day of employment, for 6 months. After that time, the employer may continue the bond at their expense or pursue the commercial bonding of a proven trustworthy and valuable employee.

Self-employed persons are NOT eligible for bonding services.

For additional information regarding the **Oklahoma Employment Security Commission Federal Bonding Program**

Call 405-557-5474 or 405-962-4627