

REENTRY MYTHBUSTERS

POWERED BY THE JUSTUS COORDINATING COUNCIL

On Federal Bonding Program

MYTH: Businesses and employers have no way to protect themselves from potential property and monetary losses should an individual they hire prove to be dishonest.

FACT: Through the Federal Bonding Program (FBP), funded and administered by the U.S. Department of Labor (DOL), fidelity insurance bonds are available to reimburse employers for loss of money or property sustained through the dishonest acts of their employees (i.e., theft, forgery, larceny, and embezzlement).

Job seekers who have in the past committed a fraudulent act, or those who have demonstrated behavior which can be perceived as an omission of credibility or honesty, very often are rejected for employment due to their personal backgrounds with the criminal justice system.

The FBP is an employer hiring incentive that guarantees the job honesty of frequently discriminated job seekers, including formerly incarcerated people. The DOL provides state workforce agencies with a package of promotional bonds to provide a base and incentive to employers and others to participate. Beyond the promotional bonds, additional bonds may be purchased from the bonding agent by states, localities, and other organizations providing reentry services.

- Employers are connected to bonded employees free-of-charge which serves as an incentive to hire frequently-overlooked job applicants.
- The FBP bond insurance was designed to reimburse the employer for any loss due to employee theft of money or property with no employer deductible.
- This tool has proven to be extremely successful with only 1% of the bonds ever issued resulting in a claim.

For More Information

Federal Bonding Program Website https://bonds4jobs.com/

National Hiring Network Overview https://www.hirenetwork.org/content/federal-bonding-progr am

"Employment and Training Administration WOTC Fact Sheet"

https://www.dol.gov/sites/dolgov/files/ETA/wotc/pdfs/WOT C_Fact_Sheet.pdf

This MythBuster is one in a series of fact sheets intended to clarify existing federal policies that affect formerly incarcerated individuals and their families. Each year, more than 700,000 individuals are released from state and federal prisons. Another 9 million cycle through local jails. When reentry fails, the social and economic costs are high -- more crime, more victims, more family distress, and more pressure on already-strained state and municipal budgets. However, when reentry works, it positively impacts health and housing, education and employment, family, faith, and community well-being.