



## **FEDERAL BONDING PROGRAM IN OREGON**

The Oregon Employment Department is again participating in the Federal Bonding Program. Employers receive \$5,000 fidelity bonds free of charge as an incentive to hire hard-to-place job applicants. This program, sponsored by the U.S. Department of Labor, has a 99 percent success rate nationwide, as only one percent of over 40,000 workers receiving bonds proved to be dishonest.

### **What is Federal Bonding?**

- A job placement tool
- Fidelity insurance through the McLaughlin Company, an agent for Travelers Insurance Company
- Protects employers against employee theft
- \$5,000 coverage for a 6-month period (no deductible)

### **Types of Workers Covered**

At risk job applicants denied (or potentially denied) commercial bonding due to:

- Arrest, conviction or imprisonment
- Alcohol or drug abuse
- Poor credit history
- No employment history
- Dishonorable discharge from the military
- Any other reason that makes the job seeker "Not Bondable"

Based on the information received, the Oregon Bonding Coordinator will decide on whether a job seeker is "Not Bondable." The hiring company is not required to first attempt to bond the job seeker through their normal commercial bonding process.

### **The Bond**

- Free of charge to job seeker and employer
- Covers theft, forgery, larceny, or embezzlement
- Does not cover poor workmanship, injuries or accidents

## **Requirements for Coverage**

- Firm job offer with start date (job offer can be contingent on receiving bond)
- Full-time or part-time job
- Job must have an employer-employee relationship with federal taxes automatically deducted
- Not self-employment or an independent contractor

## **Application Process**

- The bonds will be processed by Oregon's Federal Bonding Coordinator, an employee of the Oregon Employment Department
- Bonds can be requested by the job seeker, employer or a third party, e.g., job coach
- Once the job seeker receives a firm job offer, contact the Bonding Coordinator
- The Bonding Coordinator will ask for some basic information about the job seeker, employer and job
- If requirements are met, the Bonding Coordinator will complete the Fidelity Bond Certification Form and mail it to the McLaughlin Company
- The Bonding Coordinator will also send a confirmation letter to employer
- The bond is effective the day the job seeker starts work (The start date is entered on both the certification form and the employer confirmation letter)
- The McLaughlin Company will mail the actual Bond Certificate to the employer within 15 working days
- Neither the employer nor job seeker need to fill out any paperwork

## **Questions ???**

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More information is available at the Federal Bonding web site:  
<http://www.bonds4jobs.com/>

In the future, we will also be adding a link to information about the Bonding Program on our web site: <http://www.employment.oregon.gov/>