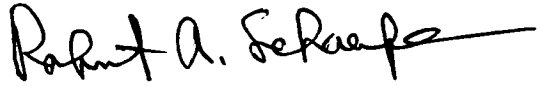


U.S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION ES
	CORRESPONDENCE SYMBOL TEES
	DATE September 30, 1993

DIRECTIVE: EMPLOYMENT SERVICE PROGRAM LETTER NO. 12-93

TO : ALL STATE EMPLOYMENT SECURITY AGENCIES

FROM : ROBERT A. SCHAERFL
 Director
 U.S. Employment Service



SUBJECT : Federal Bonding Program

1. Purpose. To increase awareness and utilization of the Federal Bonding Program (FBP).

2. Reference. TEIN 15-87

3. Background. For 27 years, the FBP has provided a valuable service for facilitating the job placement of ex-offenders, ex-addicts and other high-risk applicants seeking jobs. The program provides employers fidelity bond insurance coverage for up to \$25,000 as an incentive for hiring these hard to place persons who have been or might be refused commercial bond coverage. The fidelity bond insurance covers employee dishonesty, and is provided by the FBP free-of-charge for up to one year. The FBP is a viable placement tool that can be coordinated with existing job training and placement programs to better serve hard to place applicants. The program could be of greater benefit to applicants and employers if its availability received more exposure.

4. Increase Awareness. The increasing number of jobseekers who are ex-offenders, ex-addicts, and otherwise at-risk applicants who are often rejected for employment because of their backgrounds, indicates that the FBP is being under utilized. Ideally, liaison staff should be located in every Federal, State and local office and each level should promote the FBP within its area of jurisdiction as outlined below.

RESCISSIONS None	EXPIRATION DATE September 30, 1994
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DISTRIBUTION

5. Action Required. To help improve awareness of the FBP State Administrators are encouraged to:

a) fill any vacant FBP State coordinator or assistant coordinator jobs;

b) Designate a specific staff person in each local office to serve as local bonding coordinator. The local bonding coordinator will be responsible for assuring that local office interviewers and counselors have general knowledge of the program;

c) Assure that bonding staff are properly trained regarding procedures for issuing bonds. The FBP 19-minute staff training video released to the States in August 1992 has proven to be a valuable tool. Assistance for staff training can be arranged by directly contacting the FBP headquarters office at the address and phone number provided below;

d) Provide State/local offices, prisons, probation and parole officers, half-way houses, public services, etc., with information on FBP services. In addition to assisting ex-offenders, special emphasis should be focused on promoting the use of the program as a placement tool to assist applicants who are:

- ex-addicts
- credit risks
- disadvantaged youth who lack work history
- dishonorably discharged from the military

Bond coverage for these high-risk job applicants is often overlooked;

e) Distribute printed FBP materials to employers and applicants. Several brochures are available from the FBP headquarters office, and States are encouraged to design their own handouts; and

f). Utilize the 12-minute marketing version of the FBP video issued in July 1993 to educate employers and other community groups about the objectives and benefits of the FBP.

6. Inquiries. Questions pertaining to FBP procedures and staff training should be directed to Joe Seiler at the McLaughlin Company, 1725 DeSales Street, N.W., Suite 900, Washington, D.C., 20036. The toll free telephone number is 1-800-233-2258.

The U.S. Department of Labor Federal Representative is Richard Muller, (202) 219-7674. Questions pertaining to USES issues are to be directed to Carol Coates, U.S. Department of Labor, United States Employment Service, (202) 219-8193, or to the appropriate regional office.