

TRAINING AND EMPLOYMENT NOTICE	NO. 37-07
	DATE March 27, 2008

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE ADMINISTRATORS
ALL ONE-STOP CENTER SYSTEM LEADS
ALL ONE-STOP CENTER SYSTEM STAFF

FROM: Brent R. Orrell 
Acting Assistant Secretary

SUBJECT: Updated List of State Federal Bonding Program Coordinators

- Purpose.** To provide an updated list of State contacts for the Federal Bonding Program and to encourage its use in the workforce system.
- Background.** In 1966, the U.S. Department of Labor established the Federal Bonding Program to provide Fidelity Bonds that guarantee honesty for at-risk job seekers, particularly ex-offenders. The bonds cover the first six months of employment. There is no cost to the job applicant or the employer. In most states the bonds are made available through the state agency responsible for workforce matters. Fidelity Bonding is insurance to protect the employer against employee dishonesty. It covers any type of stealing, including theft, forgery and embezzlement.
- Employers and Jobs that May be Covered.** Bonds can be issued to (a) cover any at-risk worker on any job, full or part-time, and (b) any employer regardless of whether the company has or has not purchased a commercial Fidelity Bond. Most of the time the key reason for bond issuance will be to overcome an employer's fear that an at-risk applicant will be an untrustworthy worker regardless of the specific job. Some jobs, particularly where money and small tools/goods are handled routinely and can very easily be stolen, have traditionally mandated worker bonding. The organization purchasing the bonds is free to choose to issue bonds for only certain classes of jobs. Technical assistance on this matter can be provided to staff by a call to the Federal Bonding Programs toll-free hotline 1-800-233-2258.
- Persons Eligible for Bonding Services.** Any at-risk job applicant is eligible for bonding services, including: ex-offenders, recovering substance abusers (alcohol or drugs), welfare recipients, and other persons having poor financial credit, economically disadvantaged youth and adults who lack a work history, individuals dishonorably discharged from the military, and others. Ex-Offenders

have been the primary target group for using this service. All persons bonded must meet the legal working age set by the state in which the job exists. Self-employed persons are not eligible for bonding services. Covered workers must be an employee who earns wages with federal taxes automatically deducted from their paycheck. Bonds also can be issued to cover already employed workers who need bonding in order to (a) prevent being laid off, or (b) secure a transfer or promotion to a new job at the company.

5. **Purchasing Fidelity Bonds.** Almost all States have federal bonding coordinators, and in these States One-Stop Career Centers and other placement agencies can purchase bonds directly from the State Coordinator. An updated list of State Federal Bonding Program Coordinators is attached. Kentucky, Oregon, Nevada, and Virginia do not have State Federal Bonding Program Coordinators, and in these States One-Stop Career Centers and other placement agencies can purchase bonds directly from the Federal Bonding Program at the McLaughlin Company by contacting either Ron Rubbin 1-800-233-2258 ext. 246 or Roland Brack at 1-800-233-2258 ext.271, e-mailing them at rrubbin@McLaughlin-online.com, Brack4bonds@aol.com, or mailing in the attached Fidelity Bond Purchase Agreement.

6. **Cost of Fidelity Bonds.** Fidelity Bonds can be purchased in packages of 25, 50, 75, and 100 bond units. Each bond unit provides \$5,000 employee dishonesty insurance for a six-month period. Bond package costs are as follows:

No. Bonds Units	Total Package Cost	Cost Per Unit
25	\$2,450	\$98
50	\$4,600	\$92
75	\$6,550	\$87
100	\$8,400	\$84

Bond units purchased must be issued to employers within 24 months following the date of bond package purchase. Once issued, each unit of bonding provides the employer with 6-months insurance coverage starting the first day of work for the bondee (i.e., the individual worker at a specific employer who is covered by the bond).

The McLaughlin Co. in Washington, D.C., a private insurance brokerage firm, is the exclusive U.S. agent of St. Paul Travelers Insurance Company for the fidelity bonds issued under the Federal Bonding Program. "Guidelines on the Purchase & Use of Fidelity Bonds" can be found in the official Federal Bonding Program website at www.bonds4jobs.com. In addition there is a self-training video/CD available upon request by calling 1-800-233-2258.

7. **Determining the bond amount to cover the bondee.** One bond unit provides \$5,000 of coverage for six months. Past experience shows that \$5,000 of coverage is sufficient to facilitate most job placements. However, coverage amounts for individual employees can be either \$5,000, \$10,000, \$15,000, \$20,000, or \$25,000, depending on the level of risk at the job. Issuance of larger bond amounts (not to exceed five bond units or \$25,000 coverage) should be limited only to workers who can readily steal, at one time, more than \$5,000 in money or property. Program staff has discretion in determining the appropriate level of bond coverage, but it should be based upon reasonable justification by the employer as to the theft risk of the job.
8. **Continuing Fidelity Bonds past the initial six months of employment.** Once the six months initial employment period covered by the fidelity bonds is over, continued bond coverage can be provided either through (a) an additional bond issued by the One-Stop Career Center or placement agency or (b) if no claim has been paid due to employee dishonesty, a bond purchased at the regular commercial rate by the employee from St. Paul's Travelers Insurance.
9. **Allowability of paying for bonding services under the Workforce Investment Act (WIA).** Under WIA, "Core Services" required at each One-Stop Career Center includes placement assistance. The purchase of Fidelity Bonds as a support service at One-Stop Career Centers can be delivered as either a staff assisted "Core Service," or in conjunction with case managed "Incentive Services." For programs authorized outside WIA, the cost of bonding also may be a legitimate expenditure as a support service associated with the delivery of job placement activities.
10. **Action Required.** WIA and other employment and training delivery systems are encouraged to continue to incorporate the fidelity bonding employer incentive into the delivery of job placement services to assist ex-offenders and other at-risk job seekers.
11. **Inquiries.** Questions regarding this TEN should be directed to Michelle Lee-Jones of the Office of Youth Services at (202) 693-3932 or at jones.michelle@dol.gov. Or visit the Federal Bonding Program website at www.bonds4jobs.com.

Attachments. List of Federal Bonding Program State Coordinators and Fidelity Bond Purchase Agreement with Explanatory Information.

State Federal Bonding Program Coordinators
www.bonds4jobs.com

State	State Bonding Program Coordinators
Alaska	Mr. J. Allan MacKinnon AK Dept of Labor & Workforce Development 907-465-5955
Alabama	Ms. Sherry Clark AL State Employment Service 334-242-8039
Arkansas	Mr. Jim Case Arkansas Employment Service Technical Unit 501-682-1893
Arizona	Ms. Teresita Celaya Arizona Dept of Economic Security 602-495-1861 ext. 1002 or Ms. Sorrel Bowman-Rogers Family Services Agency 602-264-9891
California	Ms. Debbie McMillian CA Employment Development Dept 916-657- 5190
Colorado	Ms. Reina Wright Colorado Department of Labor and Employment Workforce Programs 303-318-8828
Connecticut	Mr. Charles Goorhigian Connecticut Dept. of Labor 860-263-6735 or Ms. Julie Scraphchansky STRIDE Program 960-774-1133 X 431
DC	Ms. Lisabeth Day UNICOR 202-305-7304
Delaware	Ms. Sherese Brewington-Carr DE Dept of Labor 302-761-8039
Florida	Ms. Linda Knowles FL Agency for Workforce Innovation 1-866-352-2345 (toll-free) or 850-245-7426 Mr. Jerome Salatino WorkNet Pinellas Inc. 727-507-4300 X 3038

Georgia	Mr. J.R. Henderson GA Dept of Labor 404-232-3540
Hawaii	Ms. Suzanne Okazaki HI State Employment Service 808-586-8815
Iowa	Mr. John Williams Iowa Workforce Development 515-281-9097
Idaho	Ms. Kelly Curry Department of Commerce and Labor 208-332-3570 ext 3324
Illinois	Ms. Patricia Rusoff IL Department of Commerce and Labor 312-793-9741
Indiana	Ms. Andrea de Mink Kaufmann The Pourhouse, Inc. 317-264-1833 X 210 or Ms. Becky Branham Interlocal Association 785-296-7435
Kansas	Ms. Joyce Heiman KS Dept of Commerce 785-296-7435
Louisiana	Ms. Paula Collins LA Dept. of Labor 225-342-4901 Ms. Colleen Thorp Church United for Community Development 225-270-9330
Massachusetts	Mr. David Sullivan MA Division of Employment and Training 617-626-5733
Maryland	Ms. Constance Parker MD Dept of Economic & Employment Div. 410-767-2018 Ms. Joyce Reimherr Career Transition Center 301-946-1806 X 515
Maine	Ms. Susan Turgeon or Ms. Judy Pelletier ME Dept of Labor 207-624-6395

Michigan	Mr. Michael Prus MI Dept of Career Development 313-456-3169
Minnesota	Ms. Debbie Gardner MN - DEED 651-296-8400
Missouri	Mr. Lamont Brown MO Division of Workforce Development 573-526-8217 or Ms. Nancy Box Project REACH 314-802-1953
Mississippi	Ms. Barbara Hicks MS Department of Employment Security 601-321-6049
Montana	Mr. Bill Haberman MT Dept of Labor & Industry 406-444-3480
Nebraska	Mr. Madhavi Bhadbhade Nebraska Department of Labor 402-471-2693
New Hampshire	Mr. Keith F. Badger NH Dept of Employment Security 603-228-4083
New Jersey	Mr. Joe Gazarra NJ Dept. of Labor 609-292-6542
New Mexico	Mr. Hector Moreu NM Employment Security Dept 505-841-8501
New York	Ms. Elaine Kost New York State Department of Labor 518-485-2151 or Ms. Tani Mills Center for Employment Opportunity 212-422-4430 X 210
North Carolina	Ms. Diane Smith NC Employment Security Commission 919-733-4896
North Dakota	Ms. Julie McKenzie ND Job Service 701-328-2997

Ohio	Ms Debra Shirley or Ms. Gwendolyn Woods OH Dept of Rehabilitation and Correction 614-728-1534
Oklahoma	Mr. David Slimp OK Employment Security Commission 405-557-5474
Oregon	Mr. Chad Sewell Central City Concern 503-266-7387 X 27
Pennsylvania	Ms. Barbara Zullinger PA Bureau of Workforce Investment 717-783-3676 or Mr. Allen Fineman Berk County 610-988-1350
Puerto Rico	Mr. Alex Garcia OR Ms. Maryanne Toledo One-Stop Career Center of PR, Inc. 787-296-1785
Rhode Island	Mr. Joe Potenza Crossroads Rh. Isle. 401-277-4369
South Carolina	Ms. Camille Fallow SC Employment Security Commission 803-737-2593
South Dakota	Ms. Peggy Carrico South Dakota Department of Labor 605-626-7652 ext. 4415
Tennessee	Ms. Rebecca Brooks TN Dept of Labor & Workforce Development 615-741-3780
Texas	Mr. John Ownby Texas Workforce Commission 1-800-453-8140 (within Texas) or 512-463-0834
Utah	Ms. Kathleen Johnson UT Dept of Workforce Services 801-526-9730

Virgin Islands	Ms. Joan-Ann Anthony Bonding Services Coordinator VI Dept of Labor 340-776-3700 ext 2055
Virginia	Mr. David Hunn The SkillSource Group Inc. 703-752-606 or Mr. Morris Dews VA Department of Correctional Education 804-371-6033
Vermont	Mr. David Copeland VT. Dept. of Labor 802-828- 4348
Washington	Mr. Rich Coleman WA Dept of Employment Security 360-438-3261
West Virginia	Mr. Allan L. Galloway WV Bureau of Employment Programs 304-558-0342
Wisconsin	Ms. Bea Jay Panke WI Dept of Workforce Development 608-266-1895 or Mr. Tom Back The New Hope Project, Inc. 414-267-6020
Wyoming	Ms. Beverly Bynum Dept. of Workforce Services WY 307-233-4623

FIDELITY BOND PURCHASE AGREEMENT

Federal Bonding Company
The McLaughlin Company
1725 DeSales Street, NW –Suite 700 / PHONE: 1-800-233-2258
Washington, DC 20036

The organization specified below hereby agrees to purchase a Fidelity Bond Package for use as a job placement tool to assist ex-offenders and other at-risk job applicants in securing employment.

NAME AND ADDRESS OF PURCHASING ORGANIZATION:

CONTACT PERSON: _____ E-MAIL _____

PHONE: _____ FAX _____

The size of the Fidelity Bond Package to be purchased is specified below.

NUMBER OF BOND UNITS: _____ (1 unit = \$5,000 coverage for 6-months)

TOTAL PACKAGE COST: \$ _____

It is understood that these bonds are to be issued free-of-charge to employers as a job placement incentive and cannot be resold by the purchaser. The bonds are insurance policies of Travelers Casualty and Surety Company of America.

The McLaughlin Company is the agent for Travelers in issuing the bonds.

Information pertaining to (1) the need for bonding services in job placement, (2) bond package availability and purchase, (3) procedures for bond issuance and management, and the separate responsibilities of the purchasing organization and The McLaughlin Company, and (4) technical assistance provided to bond package purchasers by The McLaughlin Company, is provided in the Company's published GUIDELINES ON THE PURCHASE & USE OF FIDELITY BONDS hereby incorporated into this Agreement by reference.

Enclosed is (check one): FULL PAYMENT _____ PURCHASE ORDER _____
(FEIN-TEIN # for The McLaughlin Company: 53-0156390)

SIGNATURE TITLE DATE

For re-orders, please provide original master policy number in the space at the bottom of this page

DO NOT WRITE BELOW THIS LINE

NO. BOND UNITS/DATE ISSUED BY THE McLAUGHLIN COMPANY _____ / _____
NO. UNITS/DATE ISSUED

BOND PACKAGE PURCHASER NO. _____ BOND UNITS NOS. _____
MASTER POLICY NO. _____

