



Workforce Issuance

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☒ Policy ☐ Information

To: Chief Elected Officials
MassHire Workforce Board Chairs
MassHire Workforce Board Directors
Title I Administrators
MassHire Career Center Directors
Title I Fiscal Officers
MDCS Operations Managers

cc: WIOA State Partners

From: Alice Sweeney, Director
MassHire Department of Career Services

Date: December 19, 2019

Subject: **Fidelity Bonding Demonstration Grant**

Purpose: To notify MassHire Workforce Boards, MassHire Career Center Operators and other workforce partners of the availability of Federal Fidelity Bonds through the Massachusetts Fidelity Bonding Demonstration Grant. Federal Fidelity Bonds are an additional tool to expand job opportunities for individuals with criminal records and to assist businesses to expand talent pools with the inclusion of persons with particular barriers to employment.

Background: The Executive Office of Labor and Workforce Development (EOLWD)/MassHire Department of Career Services (MDCS) has been awarded a Fidelity Bonding Demonstration Grant to expand the use of Federal Fidelity Bonds to help individuals with criminal records with employment opportunities.

Federal Fidelity Bonds, also referred to as bonds in this policy, protect the employer against losses incurred as a result of illegal actions by a bonded employee.

Bonds paid through this grant are for individuals with job offers and criminal records **ONLY**. The goals of this grant are:

- To improve employment outcomes for persons with criminal records
- To educate employers and partners about the availability of fidelity bonds, and the Federal Bond Program's purpose
- To supply MassHire practitioners with a hiring tool for persons with criminal records
- To perform outreach to employers and encourage them to hire persons with criminal records

What is the Federal Bonding Program (FBP)?

The purpose of the FBP is to incentivize businesses to develop inclusive labor forces, and to hire jobseekers with particular barriers to employment. It is designed to provide more opportunities for meaningful employment for these same jobseekers. A bond is like an insurance policy for individuals who have a verified job offer.

The U.S. DOL established the Federal Bonding Program (FBP) in 1966 to provide no cost bonds for businesses hiring jobseekers who:

- are returning citizens
- are justice-involved
- are in recovery
- have little or no work history
- have low credit scores
- were dishonorably discharged from the military

Although the above populations are eligible for a federal bond, these "general" bonds are separate from the bonds available through this demonstration grant. General bonds or bonds designated for this demonstration grant can be obtained through the Bond Officer for MDCS, Lisa Caissie.

Please note only jobseekers with a criminal record who have a verified employment offer are eligible for a federal bond within this demonstration grant. The specifications for this grant will be discussed later in this policy.

What does the FBP mean for a business's bottom line?

FBP bonds protect the employer against losses incurred as a result of illegal actions by bonded employee, such as theft, forgery, larceny, and embezzlement, by insuring the company for these losses. Bonds may be used in multiples to

cover an individual employee, ranging from a single bond valued at \$5,000 to multiple bonds totaling up to \$25,000 of coverage per employee. Bonds are provided to employers free of charge, without a deductible. There is no-cost to the jobseeker.

Which jobs and occupations can be bonded?

A bond can be applied to any job and any occupation with any employer in any industry, in any state. Full or part-time employees receiving paid wages with federal taxes automatically deducted from pay can be bonded, including those hired by temporary staffing agencies. Bonds can also be purchased to cover incumbent workers who need bonding to prevent them from being laid-off, or to secure a transfer or promotion to a different job with the current employer.

Note that only persons with criminal records and job offers are eligible to be bonded through the demonstration grant. Although the FBP applies to many populations, persons with criminal records are the focus of this grant, and the only eligible grant participants are persons with criminal records with job offers.

Policy: Federal Fidelity Bonds are available through this demonstration project to assist employers in hiring jobseekers who have criminal records. To be eligible for a fidelity bond under this grant, an individual must have:

- 1. A documented job offer
- 2. A criminal record

The process to obtain fidelity bonds is specified in Attachment A.

Action

Required: MassHire Workforce Boards and Career Centers will ensure that all appropriate personnel are knowledgeable of the Federal Fidelity Bond Program in order to provide information to employers and jobseekers regarding the benefits of the program and process to obtain bonding.

Effective: Immediately

Inquiries: Please send all inquiries to PolicyQA@detma.org.

Attachment: (A) Instructions for securing a Federal Fidelity Bond