



**ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT**

Fidelity Bonding Program

What is the Fidelity Bonding Program?

The Federal Bonding Program (FBP) provides FIDELITY BONDS in Alaska and offers a proven and effective tool to help both employers and at-risk job applicants. It is the only program that bonds ex-offenders.

This unique job placement tool enables at-risk job applicants such as ex-offenders, recovering substance abusers and others with problematic work histories to obtain and keep a job with the bond covering the risk to the employer. The opportunity to obtain a free fidelity bond allows the employer to focus on the worker's skills and productivity without taking added risk in the event of worker dishonesty on the job.

Bond Coverage is available in Alaska at no cost to either the job seeker or the employer. The bond insures the employer, for the first six months, against any job-related theft, forgery, larceny or embezzlement by the employee that might occur on or away from the work facility.

Fidelity bonding is a form of business insurance and the employer can request a bond for any full or part-time employee. The only requirements are that the job seeker meets the State's legal age for working and that the bondee be a bona fide employee. Fidelity bonds cannot cover self-employed persons. It is not a bail bond or court bond for the legal system.

The inability to get a job is a major factor contributing to the high rates of initial incarceration and offender return to prison. The U.S. Department of Labor began the Federal Bonding Program in 1966 as a demonstration project. In 1998, after thirty-two years, the program became a Federal-State partnership. Today's Fidelity Bonding Program continues with the same emphases, but funded by the States. In Alaska the service is delivered by the Alaska Job Centers of the Alaska Job Center Network:

<http://www.jobs.alaska.gov/offices/>

The Special Fidelity Bonds from Travelers Property Casualty, and issued by the program, serve as a job placement tool by guaranteeing to the employer the job honesty of at-risk job seekers. It insures the employer for any type of stealing by theft, forgery, larceny or embezzlement. Nationwide the program has proved to be a great success. About 40,000 applicants have obtained jobs due to being bonded, and 99% have proven to be honest employees. Applicants can obtain a greater variety of jobs and higher wage jobs.

There are no forms or other papers for the employer to sign, and no processing to delay matters - the insurance can be put into effect instantly. Bond issuance represents a mark of confidence in a job seeker that is experiencing difficulty in securing an opportunity to show that he or she can be a productive worker.

It takes just a few minutes time for Alaska Job Center staff to quickly complete the one page form for bond issuance. The bond insurance can apply to any job and covers any employee dishonesty that occurs on or away from the employer's work facility. Full or part-time employees paid wages (with Federal taxes automatically deducted from pay) can be bonded. **Self-employed persons cannot be covered by these Fidelity Bonds.**

The main reason that the bonding program exists is to help obtain a job for any person who experiences bonding as a barrier to getting hired. The program will bond anyone who has been told (or will be told) that they are NOT BONDABLE.

A basic \$5,000 coverage bond is usually issued, with a NO DEDUCTIBLE amount of liability for the employer. Larger bond amounts can be issued if the State Bonding Coordinator has determined that a larger bond amount is appropriate.

For more information regarding the Alaska Fidelity Bonding Program:

- visit the website: <http://labor.alaska.gov/bonding/home.htm>
- **contact the Alaska Job Center** in your area:
<http://www.jobs.alaska.gov/offices/>

Or you may contact J. Allan MacKinnon, Bonding Coordinator:

- ◆ E-mail: allan.mackinnon@alaska.gov
- ◆ Call: (907) 465-5955 fax: (907) 465-8753
- ◆ TDD/TTY Relay Alaska Operator: 1-800-770-8973

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