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Department  
of Labor

# NEW YORK STATE FEDERAL BONDING PROGRAM

## What Job Seekers Need to Know

### WHAT IS THE FEDERAL BONDING PROGRAM AND WHAT CAN IT DO?

The Federal Bonding Program (FBP) is a unique tool to assist job seekers who may be facing challenges regarding employment.

The program can provide fidelity bond coverage to new hires who would not be able to be covered by their employer's regular fidelity insurance.

The fidelity coverage protects a business from losses due to employee acts of dishonesty including theft/larceny of cash, equipment, product or property. It also covers losses due to forgery or embezzlement by the bonded employee.

### WHEN WAS THE PROGRAM ESTABLISHED?

The Federal Bonding Program has been sponsored by the United States Department of Labor since 1966. The program is administered by individual states. In New York, the program is administered through the New York State Department of Labor.

### WHICH JOB SEEKERS ARE ELIGIBLE TO BE BONDED THROUGH THE PROGRAM?

The following eight groups of individuals are eligible for bonding coverage:

1. Individuals with a previous misdemeanor or felony conviction
2. Individuals who are in active recovery (after treatment) from substance abuse
3. Individuals who have poor credit or who have previously applied for bankruptcy
4. Individuals with a dishonorable discharge from any branch of the military

5. Individuals with little or no work history, or those with multiple gaps or breaks in their employment history
6. Individuals receiving any form of public assistance benefits (e.g. Medicaid, SNAP, cash benefits, or housing subsidies)
7. Youth or young adults who have current or previous participation in a state or locally- operated Youth Employment Program
8. The New York State Department of Labor can also provide fidelity coverage through the FBP to an employee a business would like to promote or to other employees to prevent a lay-off

In order to be eligible for bonding job seekers must have a job offer (full-time, part-time, temporary, or temp to permanent work) and a start date or they can be currently working. Job seekers can be bonded more than one time if they should secure a new job and have not defaulted on any previous bond.

### WHICH JOB SEEKERS ARE NOT ELIGIBLE FOR BONDING THROUGH THE FEDERAL BONDING PROGRAM?

Individuals who are self-employed, 1099 independent contractors, or the owner/principal of a business are **NOT** eligible for bonding coverage.

### HOW MUCH COVERAGE CAN THE FEDERAL BONDING PROGRAM PROVIDE TO BUSINESSES?

Businesses can request different amounts of coverage, based on individual circumstances. Bonding begins at a default amount of \$5,000 and increases in increments of \$5,000 to a maximum of \$25,000.

## HOW IS THE BONDING PROCESS INITIATED?

The bonding process can be initiated by either the business hiring or by an eligible job seeker. The process can be started by contacting:

A Local Bonding Coordinator. Find a Local Coordinator at [dol.ny.gov/federal-bonding-program-0](https://dol.ny.gov/federal-bonding-program-0).

OR

The New York State Bonding Coordinator at [specialpopulations@labor.ny.gov](mailto:specialpopulations@labor.ny.gov).

## AS A JOB SEEKER HAVING TROUBLE FINDING EMPLOYMENT, YOU SHOULD KNOW:

Bonding can help to address challenges you may be facing, such as previous legal history, incarceration, little work history, poor credit, and more.

Bonding can be used to help you get a promotion or prevent a lay-off.

There is no cost and no paperwork for you or your new employer to complete.

Bonding can be addressed in an interview **after** disclosing your legal history.

You can be bonded for all types of work, in all kinds of industries. The bond provides coverage for the employer who is paying you.

Bonding may provide an incentive for an employer to extend a job offer to you, as it may make you a more attractive candidate.

Bonding can be provided for six months or for twelve months, depending on what your employer would like.

When you start a new job you can ask to be bonded or your new employer can make the request for you to be bonded.

The entire bonding process can be completed in 24 to 48 hours.

If you are bonded through the Federal Bonding Program, it will have no negative consequences on your future as an employee and a job seeker.

If you are eligible for the program and do not currently have a job offer or a start date, consider reaching out to a Local Bonding Coordinator to request a bonding eligibility letter and a bonding brochure. You can provide a copy of both to any employer that conducts an interview with you.

For more information, visit [dol.ny.gov/federal-bonding-program-0](https://dol.ny.gov/federal-bonding-program-0).

If you have questions about how the Federal Bonding Program can help you find a job in a career that you love, reach out to the NYSDOL Special Populations Team: [SpecialPopulations@labor.ny.gov](mailto:SpecialPopulations@labor.ny.gov)

