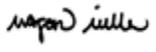


**TEXAS WORKFORCE COMMISSION LETTER**

|                   |                     |
|-------------------|---------------------|
| <b>ID/No:</b>     | WD 20-14            |
| <b>Date:</b>      | June 18, 2014       |
| <b>Keyword:</b>   | All Programs; TWIST |
| <b>Effective:</b> | July 18, 2014       |

**To:** Local Workforce Development Board Executive Directors  
Commission Executive Offices  
Integrated Service Area Managers



**From:** Reagan Miller, Director, Workforce Development Division

**Subject:** Fidelity Bonding Services

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**PURPOSE:**

To provide Local Workforce Development Boards (Boards) with information and guidance on fidelity bonding services.

**BACKGROUND:**

Fidelity bonding is a unique job placement tool that provides insurance to guarantee job honesty and serves as an effective employer incentive for hiring hard-to-place job seekers with criminal or other questionable background issues. Certain at-risk job applicants—ex-offenders and other challenging-to-employ individuals—are automatically eligible for free fidelity bonding, an insurance policy that protects the employer against employee acts of dishonesty. Fidelity bonding also has been effective in improving job placement services.

While assisting hard-to-place job seekers with employment is the main goal of fidelity bonding services, bonds are also available to cover employed workers who need bonding to prevent layoff or secure transfer or promotion to a different position with their employer.

The Texas Workforce Commission will continue to provide free fidelity bonding services for certain at-risk job seekers, including the following:

- Ex-offenders, including individuals with records of arrest, probation, or any police record
- Applicants with poor credit histories, including bankruptcy
- Veterans dishonorably discharged from the military
- Public assistance recipients
- Applicants with a substance abuse history
- Disadvantaged youth who lack a work history
- Anyone who cannot secure bonding through the regular commercial system

**PROCEDURES:**

Boards must be aware that TWC has available, at no cost, fidelity bonds to assist offenders and other at-risk job seekers.

NLF

To the extent that Workforce Solutions Office staff uses fidelity bonds, Boards must ensure that staff:

NLF

- is provided with information on how to use fidelity bonds and complete the Fidelity Bond Certification Form (Attachment 1);
- provides information on fidelity bonding services to all at-risk job seekers, as determined appropriate;
- completes the Fidelity Bond Certification Form upon request by a job seeker or employer;
- e-mails the completed Fidelity Bond Certification Form to [fidelity.bonding@twc.state.tx.us](mailto:fidelity.bonding@twc.state.tx.us);
- enters into The Workforce Information System of Texas (TWIST) *Counselor Notes*:
  - that the customer qualifies for the fidelity bonding; and
  - that the employer has been contacted to verify the bond request and the employment start date;
- enters service code *138–Fidelity Bonding* into TWIST; and
- enters service code *16–Pre-Employment* followed by service code *138–Fidelity Bonding* into TWIST for new Texas workforce system customers.

Boards must be aware that fidelity bonds are typically limited to \$5,000 of coverage. However, if a higher amount—up to \$25,000—is required by an employer in order to ensure job placement, justification for the increase must be documented under *Additional Information* on the Fidelity Bond Certification Form.

NLF

For additional information on fidelity bonds, see Technical Assistance Bulletin 268, issued June 18, 2014, and entitled “Fidelity Bonding Marketing Tools.”

**INQUIRIES:**

Direct inquiries regarding this WD Letter to [wfpolicy.clarifications@twc.state.tx.us](mailto:wfpolicy.clarifications@twc.state.tx.us).

**ATTACHMENTS:**

Attachment 1: Fidelity Bond Certification Form

**RESCISSIONS:**

WD Letter 29-11

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**REFERENCE:**

US Department of Labor Federal Bonding Program Initiative  
<http://www.bonds4jobs.com/program-background.html>

TA Bulletin 268, issued June 18, 2014, and entitled “Fidelity Bonding Marketing Tools”

**FLEXIBILITY RATINGS:**

**No Local Flexibility (NLF):** This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

**Local Flexibility (LF):** This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”