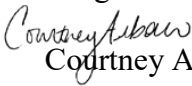


TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 10-19
Date:	June 18, 2019
Keyword:	TWIST
Effective:	Immediately

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

From: 
Courtney Arbour, Director, Workforce Development Division

Subject: **Fidelity Bonding Services**

PURPOSE:

This WD Letter provides Local Workforce Development Boards (Boards) with information and guidance on fidelity bonding services.

RESCISSION:

WD Letter 20-14

BACKGROUND:

Fidelity bonding is a unique job placement tool that provides insurance to protect an employer against employee acts of dishonesty and serves as an effective employer incentive for hiring job seekers with criminal or other questionable backgrounds. Certain at-risk individuals are automatically eligible for free fidelity bonding through the Texas Workforce Commission (TWC).

While assisting at-risk 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 to secure transfer or promotion to a different position with an employer.

TWC will continue to provide free fidelity bonding services.

PROCEDURES:

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.”

NLF: Boards must be aware that TWC provides fidelity bonds at no cost.

LF: Boards are encouraged to use fidelity bonds as a tool to assist at-risk individuals with employment.

NLF: Boards must be aware that at-risk individuals are eligible for the fidelity bonding service based on the following criteria:

- 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
- Any individual who cannot secure bonding through the regular commercial system

NLF: Boards must ensure that staff:

- is provided with information on how to use fidelity bonds and how to complete the Fidelity Bond Request Form (Attachment 1);
- provides information on fidelity bonding services to at-risk individuals who could benefit from the service;
- provides employers with information on fidelity bonding services;
- completes the Fidelity Bond Request Form upon job seeker or employer request;
- e-mails the completed Fidelity Bond Request Form to fidelity.bonding@twc.state.tx.us;
- enters into The Workforce Information System of Texas (TWIST) *Counselor Notes*:
 - that the customer qualifies for fidelity bonding based on the eligibility criteria;
 - the specific criterion on which eligibility is based; and
 - that the employer has been contacted to verify the bond request, employment start date, and job title; and
- enters service code *16-Pre-Employment* followed by service code *138-Fidelity Bonding* into TWIST once the bond has been approved.

NLF: 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 to ensure job placement, justification for the increase must be documented under *Additional Information* on the Fidelity Bond Request Form and in TWIST *Counselor Notes*.

LF: Boards may use Attachments 2, 3, and 4 to this WD Letter to market fidelity bonding services to job seekers and employers.

INQUIRIES:

Send inquiries regarding this WD Letter to wfpolicy.clarifications@twc.state.tx.us.

ATTACHMENT:

- Attachment 1: Fidelity Bond Request Form
- Attachment 2: Fidelity Bonding Brochure
- Attachment 3: Fidelity Bonding at a Glance
- Attachment 4: Fidelity Bonding Poster

REFERENCES:

US Department of Labor Federal Bonding Program Initiative
<https://nicic.gov/federal-bonding-program-us-department-labor-initiative>