



## Federal Bonding Program



# Program History

- The Manpower Development and Training Act (MDTA) was created in 1962. It was designed to train and retrain thousands of workers unemployed because of automation and technological change.

**MDTA 1962**



# Program History (cont'd)

- The act initiated discussions and approval for fidelity bonding research projects for ex-felons by the federal government
- Section 105 of the MDTA was enacted into law in April 1965 as the **Trainee Placement Assistance Demonstration Projects** and sparked the creation of bonding initiatives for ex-felons by the federal government



# PL 89-415 SEC 105

## TRAINEE PLACEMENT ASSISTANCE DEMONSTRATION PROJECTS

SEC. 105. During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons.



# Test Trials

- The test trial of the Experimental and Demonstration Projects of federal bonding was implemented through the establishment of pilot sites in four cities in 1966
- The four cities chosen were Chicago, Los Angeles, New York, and Washington, D.C. Later in the year, Kansas City was added in October and San Francisco was added in November



# Test Trials (cont'd)

- Under President Lyndon Johnson, the President's Committee On Manpower (PCOM) selected 19 more cities as pilot sites in March 1967.
- Finally, the official Federal nationwide announcement on January 25, 1971 mandated all State Employment Service Offices to include Fidelity Bonding as part of their services. This became known as The Federal Bonding Program (FBP).



In reply refer  
to METTP

U.S. DEPARTMENT OF LABOR  
Manpower Administration  
Washington, D.C. 20210

January 25, 1971

TRAINING AND EMPLOYMENT SERVICE PROGRAM LETTER NO. 2624

TO: ALL STATE EMPLOYMENT SECURITY AGENCIES

SUBJECT: Federal Bonding Program -- Nationwide Expansion of MDTA  
Trainee Placement Assistance Demonstration Projects

PURPOSE: To announce expansion of the Federal Bonding Program on a  
nationwide basis, thereby making it available as a regular part of the  
~~placement process in all local State employment service offices, and~~  
to transmit guidelines for program operation.

In 1965, Congress enacted a series of amendments to the Manpower Development  
and Training Act of 1962. The Secretary of Labor was directed to develop  
and carry out experimental and demonstration projects to assist in the  
placement of individuals who could not obtain suitable employment because  
of their inability to qualify for fidelity bonding coverage.

Following this, the Manpower Administration developed a number of Trainee  
Placement Assistance Demonstration Projects, which later collectively  
became known as the "Bonding Program". These projects were initiated on the  
basis of information that a significant number of persons who had participated  
in federally financed training, counseling, work-training, or work-experience

1971 Official  
Memo...



# Questions & Answers





# Contact Us

## Thank You.

If you have questions or comments about this presentation, please contact us.



### **Federal Bonding Program**

Email: [FederalBonding@commerce.fl.gov](mailto:FederalBonding@commerce.fl.gov)

