



# UNICOR BONDING PROGRAM TOOLKIT

## OPERATIONAL DEFINITIONS/PROCEDURES

### INDUSTRIES, EDUCATION, & VOCATIONS TRAINING DIVISION (IE&VT)

#### EDUCATION BRANCH

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Federal Prison Industries' UNICOR Federal Bonding Program was established for all federal prisoners released after February 1, 2006, and who were employed by FPI at least six months, consecutively or cumulatively, during their incarceration. It provides a \$5,000 "fidelity bond" as insurance to employers that hire ex-federal offenders.

These bonds are to be issued at no cost to employers as a job placement incentive and cannot be resold by the purchaser. The bonds are insurance policies of Travelers Property Casualty. The McLaughlin Company is the agent for Travelers Property Casualty in issuing the bonds.

#### **Rationale:**

The Post-Release Employment Project (PREP) research study conducted by the BOP's research staff concluded that inmates who work in UNICOR during incarceration are 24 percent less likely to re-engage in criminal behavior, and 14 percent more likely to be employed than those inmates who lack such work experience.

Consequently, given the higher confidence level we have that former UNICOR inmates would more likely be honest employees, it seemed a prudent investment for UNICOR to fund the premium costs for bonding former UNICOR inmate job seekers who worked in BOP factories. Moreover, it was also logical to expect that bonding former UNICOR inmates would increase their respective employment prospects because of prior work experience within the institutions.

#### **Procedures:**

Employers that hire eligible ex-offenders may apply for a fidelity bond paid by UNICOR. The initial bond covers the first six months of employment and is renewable by the employer at commercial rates. The theft of money or property by the ex-offender will reimburse the employer up to the bond value.

#### **Eligibility:**

An ex-offender must have worked in UNICOR for at least six months during incarceration and must seek coverage within one year after release. Each offender is entitled to bond coverage for one job after release from a Residential Reentry Center (RRC) is completed.

**The UNICOR Federal Bonding Coordinator is Ray King. Please contact him at 202-305-3553; or, email him at [rxking@bop.gov](mailto:rxking@bop.gov). His duties are as follows:**

- Eligible ex-offenders must give prospective employers a copy of the sample letter explaining the UNICOR Bonding Program. (See Attachment A)
- Send interested employers wishing to bond a federal ex-offender, the UNICOR Fidelity Bond Certification Form to complete. (See Attachment B)
- Interested employers must return completed UNICOR Fidelity Bond Certification Forms to the UNICOR Bonding Coordinator.
- Confirm “Bond Affirmed Date.” This is the date the employer agreed to hire an ex-offender on condition that a UNICOR Bond would be issued.
- Confirm “Bond Effective Date.” This is the date set by the employer as the first day of work for the ex-offender. The bond insurance begins on this date and remains in effect for six months.
- Be a staff member assigned by Federal Prison Industries (UNICOR).
- Determine eligibility for all UNICOR inmates participating in the UNICOR Federal Bonding Program.
- Provide administrative support to employers wishing to “renew” a bond for another six months. Employer must complete a new UNICOR Bond Certification Form specifying “renewal.” Only one renewal should be necessary. After six months, if no claim is paid for employee dishonesty, the Travelers Property Casualty will make available to the employer a fidelity “Transfer Bond” at a regular commercial rate.
- Provide Official Bond Insurance Stamps to the McLaughlin Company. One stamp is placed on each UNICOR Bond Certification Form. Each stamp is equal to one unit of bonding for a six month period.
- Bond Stamps are numbered sequentially so the McLaughlin Company knows immediately that UNICOR has issued a bond. Maintain records of completed UNICOR bond purchases.

**The Employer’s Role will be to:**

- Confirm the full-time employment status of the worker.
- Complete the UNICOR Bond Certification Form and return it to the UNICOR Bonding Coordinator.
- Request a bond renewal or a bond transfer from the insurer.

**The McLaughlin Company’s Role will be to:**

- Process the UNICOR Bond Application Form.
- Provide monthly notification of account status.
- Provide technical assistance as needed.
- Process employer loss claims.
- Arrange “Transfer Bonds” for employers who want a longer-term bond for workers.

**Attachment A:** (Sample Letter Explaining UNICOR Bond Program)

**(Name of Company)**

**(address)**

**(contact person)**

**(date)**

**Dear (contact person)**

**I have applied for a (put in the name of the position) with your company. The application and resume that accompanied it indicate that I was convicted of a felony and was incarcerated in a federal correctional institution.**

**During my incarceration, in addition to completing various education, job readiness and life skills programs, I was employed in Federal Prison Industries (UNICOR), a Bureau of Prisons corporation that provides job training and employment opportunities to federal prisoners.**

**UNICOR is engaged in a wide variety of manufacturing and service operations. For example, UNICOR's goods and services are offered to federal agencies and their earnings support all aspects of its operations.**

**If your company is concerned about employing an ex-offender, UNICOR is offering bonding insurance at no cost to the employer or employee, that reimburses employers for certain losses (up to \$5000) due to employee theft of money or property.**

**If you would like additional information about the UNICOR bonding program, please call Ray King, Education Branch, at 202-305-3553.**

**Sincerely yours,**

\_\_\_\_\_  
**(Name of Applicant)**

**Attachment B:** (Sample Employer's Certification UNICOR Bond Program Form)

Mail this completed form to:  
Federal Bureau of Prisons  
Department of Justice  
320 1st Street, N.W.  
Education Branch, Room 7028  
Washington, DC 20534  
Attn: Federal Bond Specialist

## UNICOR Federal Bond Program

### UNICOR's FIDELITY BOND CERTIFICATION FORM

The job applicant indicates that he previously worked in UNICOR (Federal Prison Industries) while incarcerated. We are applying for fidelity bond insurance on this individual in the amount of \$5,000.00, effective for a period of six months from initial date of employment. We understand that this insurance is provided at no cost to your company, with premiums being paid by UNICOR.

This is to certify that \_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Company Address) (NAIC Code, if available)

has offered \_\_\_\_\_  
(Name of Job Applicant) (Social Security Number)

employment effective \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
(Date) (Job Position) (Basic Pay Level Per Week)

Company Representative: \_\_\_\_\_  
(Print Name) (Signature) (Date)

Street Address: \_\_\_\_\_

City / State / Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

\*\*\*\*\* Do Not Write Below This Line \*\*\*\*\*

Eligibility Confirmed and Bond Insurance Stamp Affixed Below:

\_\_\_\_\_  
Signature of Inmate Transition Branch Staff Date