



# THE GEO GROUP

## INVESTOR RISK BRIEF

### Q1 2025

#### Labor law violations

GEO's exploitative labor practices expose it to significant regulatory liability.

- In January 2025, the Ninth Circuit Court of Appeals affirmed a **\$23 million judgment** against GEO for violating Washington state labor laws at an immigration detention center in Tacoma, WA.
- In January 2025, the National Labor Relations Boards filed a **retaliation complaint** against GEO over its treatment of detained laborers. The Trump administration withdrew the complaint in March 2025, but long-term liability risks posed by future administrations remain.

#### Public disclosure litigation

GEO faces mounting litigation costs for failure to comply with public disclosure laws.

- In January 2025, GEO filed **litigation in Washington to block release of reports and photographs** documenting a state agency's workplace safety inspection of an immigration detention facility.
- In February 2025, GEO was **sued in Arizona state court for records related to settlements and verdicts in legal actions against the company** over the past decade.

#### Court-ordered reform

Federal court orders to enforce detained people's rights impose additional operating costs on GEO facilities.

- In February 2025, **a federal court ordered GEO to facilitate remote virtual court access** for detained people. Compliance is likely to impose additional technology and infrastructure costs.

#### ABOUT US

**RFK Human Rights** advocates for human rights issues at home and around the world. We foster a social good approach to business. Within a network that includes some of the world's most powerful fiduciaries, we cultivate equity in the boardroom, across workforces, and in investment portfolios.

**Adasina Social Capital** provides social justice groups and impact-driven investors with a platform where people, investments, campaigns, and education work in unison to drive large-scale, systemic change.

**FreeCap Financial** is a research company that provides investors and money managers with intelligent, racial justice-oriented data that helps them leverage capital markets to dismantle the prison industrial complex—a necessary step to end mass incarceration.

## Tax liabilities

State tax authorities are levying new multi-million dollar tax liabilities against GEO.

- In May 2025, the Michigan Tax Tribunal assessed a **\$27.5 million tax bill** for GEO, double the amount the company had advocated for, in light of its reopening of a formerly vacant facility as a new immigration detention center.
- In March 2025, the Texas Supreme Court affirmed an assessment of a **\$4 million state tax bill against GEO** after the company had unsuccessfully sought an exemption in litigation.

## Selling facilities at discount

Aging infrastructure and underperforming contracts are forcing GEO facility sales at deep discount.

- In January 2025, GEO **reduced its sales price for an Oklahoma facility from \$500 million to \$312 million.**



## Local opposition

Local opposition to opening of immigration detention centers exposes GEO to regulatory litigation.

- In March 2025, the city of Newark filed a **complaint in state court** charging GEO with violation of city code on building and construction safety.

## Health and safety investigations

State and federal regulatory bodies are opening costly investigations into conditions of confinement in GEO facilities that risk exposure to financial liability.

- In April 2025, the **California Attorney General released findings from a state investigation** that determined that GEO facilities in California fail to provide adequate mental health care.
- In May 2025, the Ranking Member of the Senate Judiciary Committee **escalated congressional oversight** over medical and mental health care in GEO facilities.

## Federal ethics investigations

Federal ethics investigations into GEO's lobbying and employment practices expose it to increased legal representation costs.

- In May 2025, the Ranking Member of the Senate Judiciary Committee called for **investigation into GEO's current contacts with Attorney General Pam Bondi**, former GEO lobbyist.

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**The GEO Group (NYSE: GEO)** is a publicly traded company specializing in private prison management and detention facilities. It is the largest private prison operator in the United States. It manages over 80,000 beds at almost 100 prisons, immigration detention centers, and mental health facilities under contracts with federal, state, and local governments, most notably with U.S. Immigration and Customs Enforcement.