



THE GEO GROUP

INVESTOR RISK BRIEF

Q2 2025

Exec payouts while share prices tumble

Analysts attribute GEO's 23% decline in share prices from January to July 2025 to shaky fundamentals. But GEO still handed out recent major raises to top executives in July 2025.

- Executive Chairman George C. Zoley and CEO J. David Donahue saw increases to **annual target cash bonuses and target stock awards of 150%** of base salary.

Facility closures and sales at discount

Underperformance is forcing GEO facility closures and sales.

- In June 2025, **GEO closed the Lea County Correctional Facility in NM** after unsuccessfully trying to sell it to the state for \$175 million, reduced from its original \$240 million price.
- In May 2025, OK approved a deal to purchase the state's last private prison. **GEO exited the \$47 million per year contract** after the governor vetoed an increased payment because he "did not want to put taxpayers on the hook for increasing salaries of private corporations that have state contracts."

Liability for dangerous conditions

Conditions in GEO facilities bring legal liabilities and operational disruptions.

- In May 2025, a federal court **permitted claims against GEO for inadequate medical care** to proceed in a case seeking \$10 million in compensatory damages, \$350,000 in punitive damages, plus interest and attorney's fees.
- In May 2025, a **GEO employee in TX faces federal criminal charges** for choking and slamming a handcuffed man into a wall.

ABOUT US

RFK Human Rights advocates for human rights issues at home and around the world. 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 is an impact investing firm that helps investors leverage their individual and collective power to advance social justice and support grassroots movements – while achieving competitive returns aligned with the more prosperous, equitable future we all want to inhabit.

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.

Increased congressional scrutiny

Greater federal scrutiny threatens GEO's contracts.

- In June 2025, a member of the Senate Judiciary Committee **condemned GEO's mismanagement** of NJ's Delaney Hall ICE detention facility.
- In June and July 2025, members of Congress from California, New Jersey, and Colorado made **unannounced visits** to GEO facilities, escalating **federal oversight activities**.



Local opposition

Local opposition to GEO facilities shows growing long-term reputational risks.

- In **Baldwin, Michigan** and **Aurora, Colorado**, thousands of protesters have rallied to oppose the reopening or expansion of GEO-operated immigration detention centers.

Health and safety investigations

State and local bodies are opening costly investigations into conditions in GEO facilities.

- In May 2025, WA enacted a law **requiring private detention facilities to permit the state Department of Health access, at any time**, to ensure minimum health and safety standards, providing for fines of up to \$10,000 per violation, or up to \$1 million in total.
- In July 2025, the San Francisco Board of Supervisors initiated an **investigation into mismanagement of a local GEO-run halfway house** following the death of a resident.

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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.