

Political Activity And Lobbying Report (2014)



Overview

As a company whose business depends heavily on government contracts, The GEO Group, Inc. (GEO) strives to maintain the highest level of ethics and compliance with respect to its government relations and political contributions. GEO's political contributions and lobbying activities are strictly monitored by GEO's Legal Department to ensure compliance with applicable state and federal laws.

GEO's government relations activities are focused on government actions (legislative, regulatory and executive) that impact the construction and operation of prisons and detention facilities under public-private partnerships, expanding the use of public-private partnerships generally and the use of alternatives to incarceration and detention such as the use of electronic monitoring. Otherwise, GEO's political contributions and lobby expenditures do not encompass criminal justice or immigration policies such as whether to criminalize behavior, the length of criminal sentences or whether to restrict immigrant access to citizenship. The disclosure in the lobbying reports filed by the company is representative of the types of matters on which the company lobbies. GEO does not lobby for or against policies or legislation

that would determine the basis for an individual's incarceration or detention, the length of sentences or the criminalization of otherwise lawful behavior.

Government relations engagements and expenditures require Vice President level or above approval. The Legal Department provides support for the company's reporting and other compliance obligations.

GEO also sponsors a political action committee (GEO PAC) that makes contributions to federal candidates and to candidates in certain jurisdictions where contributions with corporate funds are not allowed.

Corporate funds are used to make political contributions where permitted by law and where management has determined that such contributions will be an effective use of funds. Political contributions using corporate funds are governed by GEO's Political Contributions Policy and their expenditure requires authorization and approval by our CEO, GEO's Legal Department and the Chief Accounting Officer or Vice President of Finance/Treasurer (summarized herein).

GEO PAC Contributions

GEO sponsors a federal political action committee that is funded solely by voluntary employee and shareholder contributions. The GEO PAC is a federally registered PAC that may make contributions in connection with federal elections, subject to contribution limits defined by the Federal Election Campaign Act. The GEO PAC may also make state-level political contributions, in compliance with state contributions limitations, registration and reporting requirements where applicable.

All GEO PAC contributions must be approved by the GEO PAC Board of Directors. Detailed information on the GEO PAC's contributions to candidate campaigns and other political committees is publicly disclosed in the GEO PAC's regular reports to the Federal Election Commission (FEC). Disbursements from the PAC to state-level candidates and committees are also reported on these FEC filings. All of the PAC's filings with the FEC are available for public review on the FEC's website at www.fec.gov.





The GEO Group's Policy on Political Contributions:

Where lawfully permitted, GEO is authorized to contribute corporate funds to political candidates and political parties.

Guidelines

- A. Federal campaign laws prohibit corporate contribution to federal candidates and most political committees.
- B. Political contributions may include direct monetary contributions of corporate funds, indirect contributions of corporate funds such as disbursement of funds to pay for candidate or party expenses, contributions of goods and services and all monetary contributions of political nature for which the fair market value is less than the amount paid.
- C. Federal and state laws prohibit reimbursement of any person for campaign contributions.
- D. GEO's legal Department reviews all requests for corporate political contributions to ensure compliance with applicable state and federal campaign laws.

Approval Procedure

1. The authorized company representative requesting the political contribution will provide a completed Political Request Contribution Form, and any appropriate supplementary documentation to the Vice President with supervisory authority for approval. For example, a Facility Administrator would provide the completed form to the appropriate Regional or Corporate Vice President, who, if the contribution exceeded \$2,000, would forward it to the CEO for approval.
2. Once the Political Request Contribution Form has been signed by the Vice President with supervisory authority, all requests must be routed to the General Counsel's office for final approval. All requests in excess of \$2,000 must be approved by the CEO, the Legal Department and the CAO or Vice President of Finance/Treasurer.
3. In no event may any employee, officer or director be reimbursed for making political contributions.



Political Contributions Table

Totals by Source of Funds:	2014
• Combined- Corporate and GEO PAC	\$1,724,000
-Corporate	\$1,378,200
-GEO PAC	\$345,800

Totals by Recipient Category (Source in Parenthesis):	2014
• Federal Candidates, Parties & Committees (GEO PAC)	\$170,100
• State/Local Candidates, Parties & Committees (Combined)	\$1,553,900

Lobbying Disclosures

Engagement in legislative and regulatory proceedings at the federal, state and local levels of government is crucial to promoting the benefits of public-private partnerships. GEO participates in the political process and retains the services of consultant government relations professionals in jurisdictions where it has or may pursue the development of public-private partnerships. Federal and state laws, including the Lobbying Disclosure Act, require GEO to report expenditures associated with these activities. Political information on these activities and associated expenditures can be obtained at <http://senate.gov/lobby> or <http://lobbyingdisclosure.house.gov>. Each searchable site provides access to all of GEO's lobbyist's reports. The total expenditures disclosed on the federal forms include all of GEO's spending on federal, state and local lobbying.

Information on GEO's political contributions and lobbying disclosures can also be found in state agency websites, including the respective Departments of State and/or State Divisions of Election (e.g. sos.ca.gov, sos.state.tx.us, dos.florida.com).

Fees for Direct Lobbying

In 2014, GEO paid an aggregate amount of approximately \$2.5 million to consultant government relations professionals for direct lobbying (as defined by the Internal Revenue Code (IRC) 162 (e)). Of that amount, approximately \$0.3 million was for lobbying at the Federal level and approximately \$2.2 million was for lobbying at the state and local levels.

Trade and Membership Associations, Chambers of Commerce and other Groups

GEO belongs to only one trade association as a member: the National Association of Real Estate Investment Trusts (NAREIT). From time to time, GEO may also contribute to other trade and membership associations, chambers of commerce, etc. Below is a list of such organizations to which GEO paid dues, fees, or contributions of \$25,000 or more in 2014.

National Association of Real Estate Investment Trusts* (NAREIT): \$67,149*

**Includes \$5,000 contribution to NAREIT PAC from GEO PAC.*