JPMorgan Chase: Financier to Private Prisons
The Center for Popular Democracy and Make the Road New York

The nation’s two largest private prison and immigrant detention corporations--CoreCivic (formerly known as Corrections Corporation of America) and Geo Group--rely on billions of dollars of debt financing to expand their operations (See Appendix I). Wall Street’s largest banks provide this financing in the form of loans, lines of credit, and bonds. According to 2017 U.S. Securities and Exchange Commission filings, there are significant financial ties between JPMorgan Chase and both CoreCivic and Geo Group.

Term Loan
JPMorgan Chase is part of a syndicate of banks that makes significant loans to CoreCivic. As of June 2017, Chase loaned CoreCivic $13.23 million through a term loan. ¹ Under this term loan, CoreCivic borrowed a total of $90,000,000 from 8 banks including Chase which loaned 14.7 percent of the total loan.²

Corporate Bonds
Bond Ownership
- Based on analysis by In the Public Interest, J.P. Morgan Investment Management and J.P. Morgan Asset Management owned a combined $89 million of CoreCivic’s bonds as of October 2016.³
- JPMorgan Investment Management owned a combined total of $77 million of Geo Group’s bonds as of October 2016.⁴

Underwriting
- Chase was one of 11 underwriters of CoreCivic’s most recent 2015 corporate bond offering of $250M.
  - Chase underwrote $40 million in bonds⁵ and received an underwriting discount from of $300,000.⁶

¹ The value of the Chase loan was derived from the commitment percentages and the total loan value
² Source for Commitment Percentages is CoreCivic’s (fka CCA) “Third Amended and Incremental Term Loan Agreement chart dated 6 October 2015, Schedule 1,”
● GEO Group issued its most recent set of bonds, totaling $350 million, in April 2016. These bonds have a 6 percent interest rate and a 2026 due date.  
  ○ Chase underwrote $42 million of notes for GEO Group’s offering in 2016 and received an underwriting discount of $630,000.

● In September 2014, GEO Group issued a set of bonds totaling $250 million that had a 5.875 percent interest rate and a 2024 due date.  
  ○ Chase underwrote $31.25 million of notes for Geo Group’s offering in 2014 and received an underwriting discount of $468,750.

● Chase has a long-standing history of underwriting CoreCivic bonds. Chase was part of a syndicate of banks that underwrote $675 million notes for CoreCivic’s 2013 bonds. The bank also underwrote $105,788,000 in bonds in 2009.

Revolving Credit
CoreCivic
As of June 30, 2017, CoreCivic owed $411 million under its revolving credit agreement. The agreement includes an “accordion” feature that

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6 CoreCivic agreed to pay each underwriting bank an underwriting discount per note of 0.75 percent. By multiplying the principal amount of notes Chase underwrote ($40 million) by 0.75%, Chase received an underwriting discount of $300,000.
10 GEO Group’s Prospectus Supplement (for 6.00% bonds due 2026), dated 11 April 2016, second page (no page number in filing). The values in the table were derived by multiplying the principal amount of notes each bank agreed to underwrite by 1.5 percent, the underwriting discount per note: https://www.sec.gov/Archives/edgar/data/914670/000119312516539978/d167214d424b5.htm, pages 1 and S-89.
13 GEO Group’s Prospectus Supplement (for 5.875% bonds due 2024), September 24, 2014, second page (no page number in filing). The values in the table were derived by multiplying the principal amount of notes each bank agreed to underwrite by 1.5 percent, the underwriting discount per note: https://www.sec.gov/Archives/edgar/data/914670/000119312514351631/d791758d424b5.htm, pages 1 and S-94.
allows the company to request an increase in their credit limit up to an additional $350 million. Under the agreement, CoreCivic’s revolver matures in July, 2020.\textsuperscript{18}

**Revolving Credit**  
**Geo Group**  
As of June 30, 2017, Geo Group had paid its debt under the revolving credit agreement down to $194 million.\textsuperscript{19} The agreement includes an “accordion” feature that allows the company to request an increase in their credit limit up to an additional $450 million.\textsuperscript{20} Under the agreement, Geo Group’s revolver matures in May, 2021.\textsuperscript{21}

**Chase stockholdings in private prison companies** (as of June 30, 2017)\textsuperscript{22}

As of June 2017, JPMorgan Chase has significant stockholdings in both CoreCivic and and Geo Group worth $11 million and $72 million, respectively.

<table>
<thead>
<tr>
<th>Bank</th>
<th>CoreCivic</th>
<th>Geo Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Values of Shares Invested</td>
<td>Number of Shares Invested</td>
</tr>
<tr>
<td>JPMorgan Chase</td>
<td>$11,063,000</td>
<td>417,787</td>
</tr>
</tbody>
</table>

\textsuperscript{16} Securities and Exchange Commission filing, CoreCivic, Inc. Form 10-Q, for Quarterly Period Ending June 30, 2017,  
\texttt{http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=117983&fid=15149023}, page 10.\textsuperscript{17}  
\textsuperscript{17} Under the credit agreement, JPMorgan committed to providing 14.7% of CoreCivic’s $900 million line of credit. Corrections Corporation of America, *Form 8-K*, Exhibit 10.1, Schedule 1. July 24, 2015,  
\texttt{http://secfilings.nasdaq.com/filingFrameset.asp?FilingID=10820310&RcvdDate=7/24/2015&CoName=CORECIVIC%2C%20I NC.&FormType=8-K&View=html}. 14.7% of the outstanding $411 million debt ($60 million) is owed to Chase.\textsuperscript{18}  
\textsuperscript{18} Securities and Exchange Commission filing, CoreCivic, Inc. Form 10-Q, for Quarterly Period Ending June 30, 2017,  
\texttt{http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=117983&fid=15149023}, page 10.\textsuperscript{19}  
\textsuperscript{19} Securities and Exchange Commission filing, CoreCivic, Inc. Form 10-Q, for Quarterly Period Ending June 30, 2017,  
\texttt{http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=117983&fid=15149023}, page 23.\textsuperscript{20}  
\textsuperscript{20} Securities and Exchange Commission filing, CoreCivic, Inc. Form 10-Q, for Quarterly Period Ending June 30, 2017,  
\texttt{http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=117983&fid=15149023}, page 22.\textsuperscript{21}  
\textsuperscript{21} Securities and Exchange Commission filing, Geo Group Form 10-Q, for Quarterly Period Ending June 30, 2017,  
\texttt{http://investors.geogroup.com/Cache/389804090.pdf}, page 55.\textsuperscript{22}  
\textsuperscript{22} Data reported on CoreCivic and Geo Group’s 13F SEC filings for the quarter ended June, 30 2017, as reported on NASDAQ: CoreCivic: \texttt{http://www.nasdaq.com/symbol/cxw/institutional-holdings?page=3}; Geo Group:  
Appendix I

CoreCivic: 1.4 billion in debt (as of June 30, 2017)\textsuperscript{23}

<table>
<thead>
<tr>
<th>Type of Debt</th>
<th>Loan Date</th>
<th>Maturity Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan</td>
<td>2015</td>
<td>2020</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>Revolving credit</td>
<td>2013/2015</td>
<td>2020</td>
<td>$411,000,000</td>
</tr>
<tr>
<td>4.125% bonds</td>
<td>2013</td>
<td>2020</td>
<td>$325,000,000</td>
</tr>
<tr>
<td>5.0% bonds</td>
<td>2015</td>
<td>2022</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>4.625% bonds</td>
<td>2013</td>
<td>2023</td>
<td>$350,000,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$1,426,000,000</td>
</tr>
</tbody>
</table>

Note: The revolving credit’s loan date is expressed as “2013/2015” because the original revolving credit agreement (from 2013) was amended (in 2015).

Geo Group: 2.1 billion in debt (as of June 30, 2017)\textsuperscript{24}

<table>
<thead>
<tr>
<th>Type of Debt</th>
<th>Loan Date</th>
<th>Maturity Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan</td>
<td>2014/2016</td>
<td>2020</td>
<td>$798,000,000</td>
</tr>
<tr>
<td>Revolving credit</td>
<td>2014/2016</td>
<td>2021</td>
<td>$194,168,000</td>
</tr>
<tr>
<td>5.875% bonds</td>
<td>2013</td>
<td>2022</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>5.125% bonds</td>
<td>2013</td>
<td>2023</td>
<td>$300,000,000</td>
</tr>
<tr>
<td>5.875% bonds</td>
<td>2014</td>
<td>2024</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>6.0% bonds</td>
<td>2016</td>
<td>2026</td>
<td>$350,000,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$2,142,168,000</td>
</tr>
</tbody>
</table>


Note: This table excludes non-recourse debt and other debts that GEO Group includes in its financial statements. The company’s total debt is 2,653,179,000 as of June, 30, 2017, and the company’s long-term debt is $2,107,208,000. The term loan’s and revolving credit’s loan dates are expressed as “2014/2016” because the original agreements from 2014 were amended in 2016.