

GEO GROUP INC
Form DEF 14A
April 06, 2004

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**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934**

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material under Rule 14a-12
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

THE GEO GROUP, INC.

(Name of Registrant as Specified In Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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THE GEO GROUP, INC.

621 NW 53rd Street, Suite 700
Boca Raton, Florida 33487
Telephone: (866) 301-4436

April 5, 2004

Dear Shareholder:

You are cordially invited to attend the 2004 annual meeting of the shareholders of The GEO Group, Inc. We will hold the meeting on Thursday, May 6, 2004, at 9:00 am (EST) at the Boca Raton Resort & Club, 501 East Camino Real, Boca Raton, Florida. We hope that you will be able to attend.

Enclosed you will find a notice setting forth the business expected to come before the meeting, the proxy statement, a form of proxy and our 2003 annual report to shareholders. In addition to the specific proposals we are requesting shareholders to act upon, we will report on our business and provide our shareholders an opportunity to ask questions of general interest. Our board of directors recommends that you vote FOR each of the proposals on the proxy card.

Your vote is very important to us. Whether or not you plan to attend the meeting in person, your shares should be represented and voted. After reading the enclosed proxy statement, please complete, sign, date and promptly return the proxy in the self-addressed envelope that we have included for your convenience. No postage is required if the proxy is mailed in the United States. Alternatively, you may wish to submit your proxy by touch-tone phone as indicated on the proxy card. Submitting the proxy card before the annual meeting will not preclude you from voting in person at the annual meeting should you decide to attend.

Sincerely,

George C. Zoley
Chairman of the Board and
Chief Executive Officer

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THE GEO GROUP, INC.

621 NW 53rd Street, Suite 700
Boca Raton, Florida 33487
Telephone: (866) 301-4436

Notice of Annual Meeting of Shareholders on May 6, 2004

April 5, 2004

The annual meeting of the shareholders of The GEO Group, Inc. will be held on Thursday, May 6, 2004, at 9:00 A.M. (EST) at the Boca Raton Resort & Club, Boca Raton, Florida, for the purpose of considering and acting on the following proposals:

- (1) To elect directors for the ensuing year;
- (2) To ratify the appointment of Ernst & Young LLP as our independent certified public accountants for the fiscal year 2004, and to perform such other services as may be requested; and
- (3) To transact any other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only shareholders of GEO's common stock of record at the close of business on March 26, 2004, the record date and time fixed by the board of directors, are entitled to notice of and to vote at the annual meeting. Additional information regarding the proposals to be acted on at the annual meeting can be found in the accompanying proxy statement.

By Order of the Board of Directors,

John J. Bulfin
Senior Vice President, General Counsel
and Corporate Secretary

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PROXY STATEMENT

THE GEO GROUP, INC.

621 NW 53rd Street, Suite 700
Boca Raton, Florida 33487
Telephone: (866) 301-4436

April 5, 2004

The GEO Group Inc. (GEO, we or us) is furnishing this proxy statement in connection with the solicitation of proxies by its board of directors for use at its annual meeting of shareholders to be held at the Boca Raton Resort & Club, Boca Raton, Florida, May 6, 2004, at 9:00 A.M. (EST). Please note the proxy card provides a means to withhold authority to vote for any individual director-nominee. Also, note the format of the proxy card, which provides an opportunity to specify your choice between approval, disapproval or abstention with respect to the proposals indicated on the proxy card. A proxy card, which is properly executed, returned and not revoked, will be voted in accordance with the instructions indicated. A proxy voted by telephone and not revoked will be voted in accordance with the shareholder s instructions. If no instructions are given, proxies that are signed and returned or voted by telephone will be voted as follows:

FOR The election of directors for the ensuing year; and

FOR The proposal to ratify the appointment of Ernst & Young LLP as the independent certified public accountants of GEO.

The enclosed proxy gives discretionary authority as to any matters not specifically referred to therein. Management is not aware of any other matters to be presented for action by shareholders at the annual meeting. If any such matter or matters properly come before the annual meeting, it is understood that the designated proxy holders have discretionary authority to vote thereon.

Holders of shares of GEO common stock, par value \$0.01 per share, of record as of the close of business on March 26, 2004, will be entitled to one vote for each share of common stock standing in their name on the books of GEO. On March 26, 2004, GEO had 9,332,552 shares of common stock issued and outstanding.

The presence, in person or by proxy, of at least a majority of the total number of shares of common stock outstanding on the record date will constitute a quorum for purposes of the annual meeting. With the exception of the election of directors, which requires a plurality of the votes cast, any other proposals to come before the annual meeting will be approved if the number of votes cast in favor of the proposal exceed the number of votes cast against the proposal. Shares of common stock represented by proxies that reflect abstentions or broker non-votes (i.e., shares held by a broker or nominee which are represented at the annual meeting, but with respect to which such broker or nominee is not empowered to vote on a particular proposal) will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum. However, neither abstentions nor broker non-votes are counted as voted either for or against a proposal. If less than a majority of the outstanding shares of common stock are represented at the annual meeting, a majority of the shares so represented may adjourn the annual meeting to another date and time.

Any person giving a proxy has the power to revoke it any time before it is voted by written notice to GEO, by executing and delivering a later dated proxy, or by attending the meeting and voting the shares.

The costs of preparation, assembly and mailing this proxy statement and the accompanying materials will be borne by GEO. It is contemplated that the solicitation of proxies will be by mail and telephone. We mailed this proxy statement, the notice of annual meeting, the proxy card and our 2003 annual report to shareholders on or about April 5, 2004.

Table of Contents***Proposal 1*****Election of Directors****Directors and Nominees**

The board of directors will be comprised of seven (7) members. The seven (7) nominees are listed below. All of the nominees are presently directors of GEO. All seven (7) of the directors were elected by the shareholders at their last annual meeting.

On July 8, 2003, the board of directors unanimously accepted the resignations of Group 4 Falck officers, Lars Nørby Johansen and Søren Lundsberg-Nielsen, effective July 7, 2003, reducing our board of directors from nine (9) to seven (7) members. The resignations resulted from GEO's repurchase on July 9, 2003 of 12 million shares of GEO common stock from Group 4 Falck, which eliminated Group 4 Falck's majority ownership interest in GEO.

Unless instructed otherwise, the persons named on the accompanying proxy card will vote for the election of the nominees named below to serve for the ensuing year and until their successors are elected and qualified. If any nominee for director shall become unavailable (which management has no reason to believe will be the case), it is intended that the shares represented by the enclosed proxy card will be voted for any such replacement or substitute nominee as may be nominated by the board of directors.

Continuing Director Nominees	Age	Director Since	Current Positions
Wayne H. Calabrese	53	1998	Vice Chairman, President and COO
Norman A. Carlson	70	1994	Director
Benjamin R. Civiletti	68	1994	Director
G. Fred DiBona, Jr.	53	2002	Director
Anne N. Foreman	56	2002	Director
Richard H. Glanton	57	1998	Director
George C. Zoley	54	1988	Chairman of the Board and CEO

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The following is a brief biographical statement for each continuing director nominee:

CONTINUING DIRECTORS

Wayne H. Calabrese

Wayne H. Calabrese is GEO's Vice Chairman of the Board, President and Chief Operating Officer. He joined GEO as Vice President, Business Development in 1989 and has served in a range of increasingly senior positions since then. From 1992 to 1994, Mr. Calabrese was Chief Executive Officer of Australasian Correctional Management, Pty Ltd., a Sydney-based subsidiary of GEO. Mr. Calabrese has served as a director of GEO since 1998.

Prior to joining GEO, Mr. Calabrese was a partner in the Akron, Ohio law firm of Calabrese, Dobbins and Kepple. He also served as an Assistant City Law Director in Akron; an Assistant County Prosecutor and Chief of the County Bureau of Support for Summit County, Ohio; and Legal Counsel and Director of Development for the Akron Metropolitan Housing Authority. He received his Bachelor's Degree in Secondary Education from the University of Akron in Akron, Ohio and his Juris Doctor from the University of Akron Law School. Mr. Calabrese also serves as a Director of numerous subsidiaries and partnerships through which GEO conducts its global operations. (a)

Norman A. Carlson

Mr. Carlson has served as a director of GEO since 1994 and served previously as a Director of The Wackenhut Corporation. Mr. Carlson retired from the Department of Justice in 1987 after serving as the Director of the Federal Bureau of Prisons for 17 years. During his 30-year career, Mr. Carlson worked at the United States Penitentiary, Leavenworth, Kansas, and at the Federal Correctional Institution, Ashland, Kentucky. Mr. Carlson was President of the American Correctional Association from 1978 to 1980, and is a Fellow in the National Academy of Public Administration. From 1987 until 1998, Mr. Carlson was Adjunct Professor in the department of sociology at the University of Minnesota in Minneapolis. (d)(e)(g)

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CONTINUING DIRECTORS

Benjamin R. Civiletti

Mr. Civiletti has served as a director of GEO since 1994. Mr. Civiletti has been Chairman of the law firm Venable, Baetjer and Howard since 1993 and was the Managing Partner of the firm from 1987 to 1993. From 1979 to 1980, Mr. Civiletti served as the Attorney General of the United States. He is a former Chairman of the Board of the Greater Baltimore Medical Center; the Founding Chairman of the Maryland Legal Services Corporation; a Director of MBNA Corporation and MBNA International; and a former Director of The Wackenhut Corporation. Mr. Civiletti is a Fellow of the American Bar Foundation, the American Law Institute and the American College of Trial Lawyers. He was Chairman of the Maryland Governor's Commission on Welfare Policy in 1993, and a member of the Maryland Governor's Task Force on Alternatives to Incarceration in 1991. (b)(c)(e)(g)

G. Fred DiBona, Jr.

Mr. DiBona has served as a director of GEO since 2002. Mr. DiBona is President and Chief Executive Officer of Independence Blue Cross (IBC), a health insurance corporation with 4.5 million members. He is also Chief Executive Officer of Keystone Health Plan East, a wholly owned subsidiary of IBC; and AmeriHealth, Inc., an IBC subsidiary health insurance company. Mr. DiBona joined IBC after serving as President and Chief Executive Officer of Keystone Ventures, Inc. From 1983 to 1986, Mr. DiBona was President and Chief Executive Officer of the Greater Philadelphia Chamber of Commerce. He was previously President, and later, Board Chairman of the Philadelphia Port Corporation and Chairman of Blue Cross and Blue Shield Association, the country's largest association of private health insurers. He currently serves as a Director of the Association's Executive Committee. In 1995, Mr. DiBona was the co-recipient with former President George H. W. Bush of the National Patriot's Award from the Congressional Medal of Honor Society. Mr. DiBona also serves on the Boards of Directors of Exelon Energy Company, Tasty Baking Company and Philadelphia Suburban Corporation. He is a graduate of Davis and Elkins College in Elkins, W.V. and the Delaware School of Law. (c)(d)(f)(g)

Table of Contents**CONTINUING DIRECTORS**

Anne N. Foreman

Ms. Foreman has served as a director of GEO since 2002. Ms. Foreman served as Under Secretary of the United States Air Force from September 1989 until January 1993. Prior to her appointment as Under Secretary, Ms. Foreman was General Counsel of the Department of the Air Force and a member of the Department's Intelligence Oversight Board. Ms. Foreman also served in the White House as Associate Director of Presidential Personnel for National Security from 1985 to 1987. She practiced law in the Washington office of the Houston-based law firm of Bracewell and Patterson and with the British solicitors Boodle Hatfield, Co., in London, England from 1979 to 1985. Ms. Foreman is a former member of the U.S. Foreign Service, and served in Beirut, Lebanon; Tunis, Tunisia; and the U.S. Mission to the U.N. She was a U.S. Delegate to the 31st Session of the U.N. General Assembly and to the 62nd Session of the U.N. Economic and Social Council. Ms. Foreman earned a bachelor's degree, magna cum laude, in history and French, and a master's in history from the University of Southern California in Los Angeles. She holds her juris doctor from American University in Washington D.C. and was awarded an honorary doctorate of law from Troy State University in Troy, Alabama. Ms. Foreman is a member of Phi Beta Kappa, has been a member of numerous Presidential delegations, and was twice awarded the Air Force Medal for Distinguished Civilian Service. Ms. Foreman is a member of the board of directors of Ultra Electronics Defense, Inc.; Advanced Programming Concepts, Inc.; and Trust Services, Inc. She is also a Trustee of the National Gypsum Company Settlement Trust and a Director and Treasurer of the Asbestos Claims Management Corporation. Ms. Foreman also served on the Board of The Wackenhut Corporation for nine years. (b)(d)(e)(f)(g)

Richard H. Glanton

Mr. Glanton has served as a director of GEO since 1998. Mr. Glanton joined Exelon Corporation as Senior Vice President in May 2003 with leadership responsibilities for corporate development. He has been a member of the Exelon board of directors since its inception in October 2000 and relinquished his board position when he assumed his role as an officer of the company. Mr. Glanton served as a Director on the Board of PECO Energy Company, a predecessor company of Exelon, from 1990 to 2000. Prior to joining Exelon in 2003, Mr. Glanton was a Partner in the General Corporate Group of the law firm of Reed, Smith, Shaw and McClay, LLP in Philadelphia, Pennsylvania and was with the firm since 1987. Mr. Glanton is active in public affairs and civic organizations and has a distinguished record of public service. He served from 1979 to 1983 as Deputy Counsel to Richard L. Thornburgh, former Governor of Pennsylvania. Mr. Glanton is a member of the board of directors of Aqua America Corporation. He received his bachelor's degree in English from West Georgia College (renamed State University of West Georgia) in Carrollton, Georgia and his juris doctor from the University of Virginia School of Law in Charlottesville, Virginia. (a)(b)(c)(e)(f)(g)

Table of Contents**CONTINUING DIRECTORS**

George C. Zoley

George C. Zoley serves as Chairman of the Board and Chief Executive Officer of The GEO Group, Inc. and Chief Executive Officer of Atlantic Shores Healthcare, Inc, a wholly-owned subsidiary of The GEO Group, Inc. He served as GEO's Vice Chairman and Chief Executive Officer from January 1997 to May of 2002. Mr. Zoley has served as GEO's Chief Executive Officer since the company went public in 1994. Prior to 1994, Mr. Zoley served as President and Director since the GEO's incorporation in 1988. Mr. Zoley has served as a director of GEO since 1988. Mr. Zoley founded GEO in 1984 and continues to be a major factor in GEO's development of new business opportunities in the areas of correctional and detention management, health and mental health and other diversified government services. Mr. Zoley also serves as a director of several business subsidiaries through which The GEO Group, Inc. conducts its operations worldwide. Prior to founding GEO, Mr. Zoley served as manager, director, and then Vice President of Government Services at Wackenhut Services, Inc. Prior to that, Mr. Zoley held various administrative and management positions for city and county governments in South Florida.

Mr. Zoley has Bachelor's and Master's Degrees in Public Administration from Florida Atlantic University (FAU) and a Doctorate Degree in Public Administration from Nova Southeastern University (NSU). In January, 2003, the Board of Trustees of Florida Atlantic University in Boca Raton, Florida, elected Mr. Zoley, an alumnus of FAU, as its Chairman. Mr. Zoley also served as Chair of the FAU Presidential Search Committee and is a member of the FAU Foundation board of directors. (a)

- (a) Member of Executive Committee
- (b) Member of Nominating and Corporate Governance Committee
- (c) Member of Audit and Finance Committee
- (d) Member of Corporate Planning Committee
- (e) Member of Operations and Oversight Committee
- (f) Member of Compensation Committee
- (g) Member of Independent Committee

The election of the directors listed above will require the affirmative vote of the holders of a plurality of the shares present or represented at the shareholders meeting.

Executive Officers of GEO

The executive officers of GEO are as follows:

Name	Age	Position
George C. Zoley	54	Chairman of the Board and Chief Executive Officer
Wayne H. Calabrese	53	Vice Chairman, President and Chief Operating Officer
John G. O'Rourke	53	Senior Vice President and Chief Financial Officer
John J. Bulfin	50	Senior Vice President, General Counsel and Corporate Secretary
John M. Hurley	56	Senior Vice President, North American Operations
Donald H. Keens	60	Senior Vice President, International Services
David N.T. Watson	38	Vice President, Finance and Treasurer
Brian R. Evans	36	Vice President, Chief Accounting Officer

George C. Zoley Please refer to the biographical information listed above in the Directors and Nominees section.

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Wayne H. Calabrese Please refer to the biographical information listed above in the Directors and Nominees section.

John G. O Rourke Mr. O Rourke has been responsible for GEO's business management since 1991, assuming the position of Chief Financial Officer in 1994. Over this 12 year period, GEO grew from approximately \$30 million in revenue in 1991 to more than \$600 million in 2003. Prior to joining GEO, Mr. O Rourke was a career officer in the United States Air Force. In addition to operational flying experience as an instructor pilot in B-52 aircraft, his assignments included senior executive positions in the Pentagon involved in planning, managing and implementing several multi-billion dollar national security projects, including the B-2 Stealth Bomber. Mr. O Rourke earned his bachelor's degree in International Relations from St. Joseph's University in Philadelphia, Pennsylvania and a master's degree in Political Science from the University of North Dakota in Grand Forks, North Dakota. He is also a graduate of the Defense Systems Management College.

John J. Bulfin As GEO's General Counsel, Mr. Bulfin has oversight responsibility for all GEO litigation and contract compliance, investigations and professional responsibility. Mr. Bulfin is a member of the Florida Bar and the American Bar Associations. He has been a trial lawyer since 1978 and is a Board Certified Civil trial lawyer. Prior to joining GEO in 2000, Mr. Bulfin was a founding partner of the West Palm Beach law firm of Wiederhold, Moses, Bulfin & Rubin. Mr. Bulfin attended the University of Florida, received his bachelor's degree from Regis College in Denver, Colorado and his juris doctor from Loyola University in Chicago, Illinois.

John M. Hurley Mr. Hurley is responsible for the overall administration and management of GEO's domestic detention and correctional facilities. Prior to joining GEO in 1998, Mr. Hurley was employed by the Department of Justice, Federal Bureau of Prisons for 26 years. During his tenure, he served as Warden at three different Bureau facilities. He also served as Director of the Bureau's Staff Training Center in Glynco, Georgia. Mr. Hurley received his bachelor's degree from the University of Iowa in Sociology and a Certificate in Public Administration from the University of Southern California, Washington D.C. extension campus.

Donald H. Keens Mr. Keens is responsible for management and control of GEO's international marketing, sales and operations. He has 39 years of experience in the management of a wide range of criminal justice and security operations, including establishment and day-to-day management of security and correctional companies in the United Kingdom, Australia, New Zealand, the United States, and South Africa. He is also experienced in the operation of multi-million dollar prison service contracts. Mr. Keens joined GEO in 1994.

David N.T. Watson Mr. Watson has been GEO's Vice President, Finance since July 1999 and Treasurer since May 2003. He was also Assistant Secretary from 2000 to 2002 and Chief Accounting Officer from 1994 to 2003. From 1989 until joining GEO, Mr. Watson was with the Miami office of Arthur Andersen, LLP where his most recent position was Manager, Audit and Business Advisory Services Group. Mr. Watson has a B.A. in Economics from the University of Virginia and an M.B.A. from Rutgers, the State University of New Jersey. Mr. Watson is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Brian R. Evans Mr. Evans has been Vice President of Accounting since October 2002 and Chief Accounting Officer since May 2003. Mr. Evans joined GEO in October 2000 as Corporate Controller. From 1994 until joining GEO, Mr. Evans was with the West Palm Beach office of Arthur Andersen, LLP where his most recent position was Manager in the Audit and Business Advisory Services Group. From 1990 to 1994, Mr. Evans served in the U.S. Navy as an officer in the Supply Corps. Mr. Evans has a B.S. in Accounting from the University of Notre Dame and is a member of the American Institute of Certified Public Accountants.

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The following table shows the number of shares of GEO's common stock, that were beneficially owned as of March 8, 2004 by each director nominee for election as director at the 2004 annual meeting of shareholders, by each Named Executive Officer (as defined below), by all director nominees and executive officers as a group, and by each person or group who was known by GEO to beneficially own more than 5% of GEO's outstanding common stock.

Beneficial Owner(1)	Common Stock	
	Amount & Nature of Beneficial Ownership(2)(3)	Percent of Class
DIRECTOR NOMINEES		
Wayne H. Calabrese	255,220	2.66%
Norman A. Carlson	13,000	*
Benjamin R. Civiletti	16,000	*
G. Fred DiBona, Jr.	4,000	*
Anne N. Foreman	4,200	*
Richard H. Glanton	10,000	*
George C. Zoley	393,818	4.05%
NAMED EXECUTIVE OFFICERS		
Carol M. Brown (4)	141,906	1.50%
Donald H. Keens	52,132	*
John G. O'Rourke	142,132	1.50%
ALL NOMINEES AND EXECUTIVE OFFICERS AS A GROUP		
	1,178,272	11.21%
OTHER		
Strong Capital Management, Inc. (5)	1,158,172	12.41%
FMR Corp. (6)	972,200	10.42%
Morgan Stanley (7)	931,229	9.98%
Barclays Global Investors, NA (8)	767,975	8.23%
Royce & Associates, LLC (9)	571,900	6.13%
Heartland Advisors, Inc. (10)	505,400	5.42%

* Beneficially owns less than 1% of GEO's common stock.

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NOTES

- (1) Unless stated otherwise, the address of the beneficial owners is 621 NW 53rd Street, Boca Raton, Florida 33487.
- (2) Information concerning beneficial ownership was furnished by the persons named in the table or derived from documents filed with the Securities and Exchange Commission, which we refer to as the SEC. Each person named in the table has sole voting and investment power with respect to the shares beneficially owned.
- (3) Includes 1,175,472 shares of common stock underlying stock options held by the directors and executive officers that are immediately exercisable or exercisable within 60 days. The number of shares of common stock underlying stock options held by directors and executive officers are as follows: Mr. Calabrese 255,220; Mr. Carlson 12,000; Mr. Civiletti 16,000; Mr. DiBona, Jr. 4,000; Ms. Foreman 4,000; Mr. Glanton 10,000; Mr. Zoley 393,818; Ms. Brown 141,906; Mr. Keens 52,132; Mr. O'Rourke 142,132; other executive officers 145,864.
- (4) During fiscal year 2003, Ms. Brown held the position of Senior VP, Health Services. Effective March 7, 2004, Ms. Brown no longer serves as an executive officer of GEO.
- (5) The principal business address of Strong Capital Management, Inc. is 100 Heritage Reserve, Menomonee Falls, Wisconsin 53051.
- (6) The principal business address of FMR Corp. is 82 Devonshire Street, Boston, Massachusetts 02109.
- (7) The principal business address of Morgan Stanley is 1585 Broadway, New York, New York 10036.
- (8) The principal business address of Barclays Global Investors, NA is 45 Fremont Street, San Francisco, California 94105.
- (9) The principal business address of Royce & Associates, LLC is 1414 Avenue of the Americas, New York, New York 10019.
- (10) The principal business address of Heartland Advisors, Inc. is 789 North Water Street, Milwaukee, Wisconsin 53202.

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THE BOARD OF DIRECTORS, ITS COMMITTEES AND OTHER

CORPORATE GOVERNANCE INFORMATION

The board of directors held ten (10) meetings during fiscal year 2003. Prior to their resignations on July 7, 2003, Lars Nørby Johansen and Søren Lundsberg-Nielsen attended 60% and 80%, respectively, of the total number of meetings of the board of directors. Each incumbent director attended at least 75% of the total number of meetings of the board of directors and the total number of meetings held by all board committees on which they served. The board of directors is comprised of a majority of directors who qualify as independent directors pursuant to the listing standards applicable to companies listed on the New York Stock Exchange, which we refer to as the NYSE.

Under our corporate governance guidelines, the board of directors has established seven standing committees. The members of the board of directors serving on certain of these committees and the functions of those committees are set forth below.

Executive Committee

The Executive Committee's members are George C. Zoley (Committee Chairman), Wayne H. Calabrese and Richard H. Glanton. The Executive Committee met three (3) times during fiscal year 2003. The Executive Committee has full authority to exercise all the powers of the board of directors between meetings of the board of directors, except as reserved by the board of directors.

Audit and Finance Committee

The Audit and Finance Committee's members are G. Fred DiBona, Jr. (Committee Chairman), Benjamin R. Civiletti and Richard H. Glanton. Norman A. Carlson served on The Audit and Finance Committee during fiscal years 2003 and 2004 until his resignation on February 5, 2004, when he was replaced by Richard H. Glanton. The Audit and Finance Committee met six (6) times during fiscal year 2003. The Report of the Audit and Finance Committee is included later in this proxy statement.

All of the members of the Audit and Finance Committee are independent (as independence is defined under Exchange Act Rule 10A-3, as well as under Section 303A.02 of the NYSE's listing standards). In addition, the board of directors has determined that Mr. DiBona, Jr. is an audit committee financial expert as that term is defined under Item 401(h)(2) of Regulation S-K of the SEC's rules.

The Audit and Finance Committee has a written charter adopted by the board of directors. It is attached hereto and can be found on our website at <http://www.thegeogroupinc.com> by clicking on the link "Corporate" on our homepage and then clicking on the link "Corporate Governance". Pursuant to the charter, the main functions and responsibilities of the Audit and Finance Committee include the following:

- select, in its sole discretion, our independent auditor, review and oversee its performance and approve its compensation;
- review and approve in advance the terms of our independent auditor's annual engagement, including the proposed fees, as well as the scope of auditing services to be provided;
- review with management, our internal auditor and our independent auditor, our significant financial risks or exposures and assess the steps management has taken to monitor and mitigate such risks or exposures;
- review and discuss with management and our independent auditor the audit of our annual financial statements and our internal controls over financial reporting, and our disclosure and the independent auditor's reports thereon;
- meet privately with our independent auditor on any matters deemed significant by the independent auditor;
- establish procedures for the submission, receipt, retention and treatment, on an anonymous basis, of complaints and concerns regarding our accounting, internal accounting controls or auditing matters;

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review with our counsel legal matters that may have a material impact on our financial statements, our compliance policies and any material reports or inquiries from regulators or government agencies; and

address or take action with respect to any other matter specifically delegated to it from time to time by the board of directors.

Compensation Committee

The Compensation Committee's members are G. Fred DiBona, Jr. (Committee Chairman), Richard H. Glanton and Anne N. Foreman. The Compensation Committee met one (1) time during fiscal year 2003. The Report of the Compensation Committee is included later in this proxy statement.

All of the members of the Compensation Committee are independent (as independence is defined under Section 303A.02 of the NYSE's listing standards).

The Compensation Committee has a written charter adopted by the board of directors. It can be found on our website at <http://www.thegeogroupinc.com> by clicking on the link "Corporate" on our homepage and then clicking on the link "Corporate Governance". Pursuant to the charter, the main functions and responsibilities of the Compensation Committee include the following:

review on a periodic basis and, if appropriate, make recommendations with respect to, director compensation;

establish our executive compensation philosophy, and review and approve the compensation of all of our corporate officers, including salaries, bonuses, stock option grants and other forms of compensation;

review the general compensation structure for our corporate and key field employees;

establish annual and long-term performance goals for the compensation of our CEO and other senior executive officers, evaluate the CEO's and such other senior executives' performance in light of those goals, and, either as a committee or together with the other independent members of the board of directors, determine and approve the CEO's and such other senior executives' compensation level based on this evaluation;

review our program for succession and management development;

review our incentive-based compensation and equity-based plans and make recommendations to the board of directors with respect thereto; and

address or take action with respect to any other matter specifically delegated to it from time to time by the board of directors.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee's members are Benjamin R. Civiletti (Committee Chairman), Richard H. Glanton and Anne N. Foreman. The Nominating and Corporate Governance Committee met three (3) times during fiscal year 2003.

All of the members of the Nominating and Corporate Governance Committee are independent (as independence is defined under Section 303A.02 of the NYSE's listing standards).

The Nominating and Corporate Governance Committee has a written charter adopted by the board of directors. It can be found on our website at <http://www.thegeogroupinc.com> by clicking on the link "Corporate" on our homepage and then clicking on the link "Corporate Governance". Pursuant to the charter, the main functions and responsibilities of the Nominating and Corporate Governance Committee include the following:

identify candidates qualified to become members of the board of directors and select, or recommend that the full board of directors select, such candidates for nomination and/or appointment to the board of directors;

review candidates for the board of directors recommended by shareholders;

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after consultation with the Chairman and CEO, recommend to the board of directors for approval all assignments of committee members, including designations of the chairs of the committees;

establish the evaluation criteria for the annual self-evaluation by the board of directors, including the criteria for determining whether the board of directors and its committees are functioning effectively, and implement the process for annual evaluations;

develop, adopt, review annually and, if appropriate, update, corporate governance guidelines for GEO and evaluate compliance with such guidelines;

consider other corporate governance issues that arise from time to time, and advise the board of directors with respect to such issues; and

address or take action with respect to any other matter specifically delegated to it from time to time by the board of directors.

OTHER CORPORATE GOVERNANCE INFORMATION

Director Independence

Pursuant to the corporate governance standards applicable to companies listed on the NYSE, the board of directors must be comprised of a majority of directors who qualify as independent directors. In determining independence, each year the board of directors affirmatively determines whether directors have a material relationship with GEO. When assessing the materiality of a director's relationship with GEO, the board of directors considers all relevant facts and circumstances, not merely from the director's standpoint, but also from that of the persons or organizations with which the director has an affiliation. An independent director is free from any relationship with GEO that may impair the director's ability to make independent judgments. Particular attention is paid to whether the director is independent from management and, with respect to organizations affiliated with a director with which GEO does business, the frequency and regularity of the business conducted, and whether the business is carried out at arm's length on substantially the same terms to GEO as those prevailing at the time from unrelated third parties for comparable business transactions. Material relationships can include commercial, banking, industrial, consulting, legal, accounting, charitable and familial relationships.

Applying the NYSE's independence standards, the board of directors has determined that Norman A. Carlson, Benjamin R. Civiletti, G. Fred DiBona, Jr., Anne N. Foreman and Richard H. Glanton qualify as independent under the New York Stock Exchange's corporate governance standards, and that the board of directors is therefore comprised of a majority of independent directors. The board of directors' determination that each of these directors is independent was based on the fact that none of the directors had a material relationship with GEO outside of such person's position as a director, including a relationship that would disqualify such director from being considered independent under the NYSE's listing standards.

Director Identification and Selection

The processes for director selection and director qualifications are set forth in Section 3 of our Governance Guidelines. The board of directors, acting on the recommendation of the Nominating and Corporate Governance Committee, will nominate a slate of director candidates for election at each annual meeting of shareholders and will elect directors to fill vacancies, including vacancies created as a result of any increase in the size of the board, between annual meetings. Nominees for director are selected on the basis of outstanding achievement in their personal careers, broad experience, wisdom, integrity, ability to make independent, analytical inquiries, understanding of the business environment, and willingness to devote adequate time to duties of the board of directors. The board is committed to diversified membership and will not discriminate on the basis of race, color, national origin, gender, religion or disability in selecting nominees. The Nominating and Corporate Governance Committee may, to the extent it deems appropriate, engage a third party professional search firm to identify and review new director candidates and their credentials.

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The Nominating and Corporate Governance Committee will consider proposed nominees whose names are submitted to it by shareholders; however, it does not have a formal process for that consideration. The Nominating and Corporate Governance Committee has not adopted a formal process because it believes that the informal consideration process has been adequate to date. The Nominating and Corporate Governance Committee intends to review periodically whether a more formal policy should be adopted. If a shareholder wishes to suggest a proposed name for committee consideration, the name of that nominee and related personal information should be forwarded to the Nominating and Corporate Governance Committee, in care of the Corporate Secretary, at least six months before the next annual meeting to assure time for meaningful consideration by the committee.

Code of Business Conduct and Ethics

The board of directors has adopted a code of business conduct and ethics applicable to GEO's directors, officers, employees, agents and representatives, including its consultants. The code strives to deter wrongdoing and promote honest and ethical conduct, the avoidance of conflicts of interest, full, fair, accurate, timely and transparent disclosure, compliance with the applicable government and self-regulatory organization laws, rules and regulations, prompt internal reporting of violations of the code, and accountability for compliance with the code. The code can be found on our website at <http://www.thegeogroupinc.com> by clicking on the link [Corporate](#) on our homepage and then clicking on the link [Corporate Governance](#). In addition, the code is available in print to any shareholder who requests it by contacting Pablo E. Paez, Manager, Corporate Communications, at 561-999-7306.

Code of Ethics for CEO, Senior Financial Officers and Other Employees

Pursuant to Section 406 of the Sarbanes-Oxley Act of 2002, the board of directors has also adopted a code of ethics for the CEO, its senior financial officers and all other employees. The text of this code is located in Section 18 of the code of business conduct and ethics. The code can be found on our website at <http://www.thegeogroupinc.com> by clicking on the link [Corporate](#) on our homepage and then clicking on the link [Corporate Governance](#). In addition, the code is available in print to any shareholder who requests it by contacting Pablo E. Paez, Manager, Corporate Communications, at 561-999-7306.

Corporate Governance Guidelines

The board of directors has adopted corporate governance guidelines to promote the effective functioning of the board of directors and its committees, and the continued implementation of good corporate governance practices. The corporate governance guidelines address matters such as the role and structure of the board of directors, the selection, qualifications and continuing education of members of the board of directors, board meetings, non-employee director executive sessions, board self-evaluation, board committees, CEO performance review, succession planning, non-employee director compensation, certain shareholder matters and certain shareholder rights.

The corporate governance guidelines can be found on our website at <http://www.thegeogroupinc.com> by clicking on the link [Corporate](#) on our homepage and then clicking on the link [Corporate Governance](#). In addition, the corporate governance guidelines are available in print to any shareholder who requests them by contacting Pablo E. Paez, Manager, Corporate Communications, at 561-999-7306.

Annual Board and Committee Self-Assessments and Non-Employee Director Executive Sessions

The board of directors conducts a self-assessment annually, which is reported by the Nominating and Corporate Governance Committee to the board of directors. In addition, the Audit and Finance Committee, the Compensation Committee and the Nominating and Corporate Governance Committee also undergo annual self-assessments of their performance. The non-employee directors of the board of directors meet in executive session at least twice per year and such meetings are presided over by a presiding director who is typically the chairman of the Nominating and Corporate Governance Committee.

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Shareholder Communications with Directors

The board of directors has adopted a process to facilitate written communications by shareholders or other interested parties to the board. Persons wishing to write to the board of directors of GEO, or to a specified director or committee of the board, should send correspondence to the Corporate Secretary at 621 NW 53rd Street, Suite 700, Boca Raton, Florida, 33487.

The Corporate Secretary will forward to the directors all communications that, in his or her judgment, are appropriate for consideration by the directors. Examples of communications that would not be appropriate for consideration by the directors include commercial solicitations and matters not relevant to the shareholders, to the functioning of the board, or to the affairs of GEO.

Board Member Attendance at Annual Meetings

GEO encourages all of its directors to attend the annual meeting of shareholders. We generally hold a board meeting coincident with our annual meeting to minimize director travel obligations and facilitate their attendance at the annual shareholders meeting. All of our then current directors attended the 2003 annual meeting of shareholders.

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The board of directors has retained the firm of Ernst & Young LLP, which we refer to as Ernst & Young, independent certified public accountants, to serve as independent auditors for the fiscal year ending January 2, 2005. Ernst & Young has served as GEO's independent certified public accountants since 2002. Through May 27, 2002, Arthur Andersen LLP, which we refer to as Arthur Andersen, was GEO's principal independent auditor. It is expected that a member of Ernst & Young will be present at the annual meeting with the opportunity to make a statement if so desired and will be available to respond to appropriate questions. The following sets forth the aggregate fees billed by Ernst & Young and Arthur Andersen to GEO related to fiscal years 2003 and 2002:

Audit Fees

Fees billed by Ernst & Young for audit services were approximately \$1,711,741 for 2003 and \$437,714 for 2002, including fees associated with the annual audit, the reviews of GEO's quarterly reports on Form 10-Q, statutory audits required internationally, fees related to filings with the SEC and accounting consultations.

The aggregate fees billed by Arthur Andersen for professional services rendered in connection with the review of the financial statements included in certain of GEO's quarterly reports on Form 10-Q for 2002 were \$15,000.

Audit-Related Fees

Fees billed by Ernst & Young for audit-related services were approximately \$8,693 for 2003 for consultations on proposed financial reporting standards on internal controls. There were no audit-related services for 2002 billed by Ernst & Young.

The aggregate fees billed by Arthur Andersen for audit-related services in 2002, including contract audits and other attest services under professional standards, were approximately \$66,000.

Tax Fees

Fees billed by Ernst & Young for tax services, including tax compliance and tax advice primarily in GEO's foreign locations, were approximately \$135,236 for 2003 and \$93,282 for 2002.

The aggregate fees billed by Arthur Andersen for tax return preparation and tax-consulting services were approximately \$9,450 in 2002.

All Other Fees

Fees billed by Ernst & Young for all other services were approximately \$113,491 for 2003 and primarily included fees for advisory services in connection with the sale of GEO's interest in its joint venture in the United Kingdom. There were no other fees billed by Ernst & Young in 2002.

The Audit and Finance Committee of the board of directors has implemented procedures to ensure that all audit and permitted non-audit services provided to GEO are pre-approved by the Audit and Finance Committee. All of the audit-related, tax and all other services provided by Ernst & Young to GEO in 2003 were approved by the Audit and Finance Committee pursuant to these procedures. All non-audit services provided in 2003 were reviewed with the Audit and Finance Committee, which concluded that the provision of such services by Ernst & Young was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

Audit and Finance Committee Pre-Approvals of Audit, Audit-Related, Tax and Permissible Non-Audit Services

On March 8, 2004, the Audit and Finance Committee approved various audit, audit-related, tax and other services scheduled to be provided by Ernst & Young during 2004. The Audit and Finance Committee plans to continue to review and pre-approve such services, as appropriate, on a periodic basis. In addition, the Audit and Finance Committee has delegated to its Chairman, G. Fred DiBona Jr., the authority to grant, on behalf of the Audit and Finance Committee, the pre-approvals required under the Sarbanes-Oxley Act for the provision by Ernst & Young to GEO of auditing and permissible non-audit services; provided, however, that any decision made by Mr. DiBona with respect to any such pre-approvals must be presented at the next regularly scheduled full Audit and Finance Committee meeting that is held after such decision is made.

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The following table shows salary paid and bonuses accrued by GEO during each of fiscal years 2003, 2002 and 2001, respectively, to and on behalf of the Chief Executive Officer and each of the four most highly compensated executive officers of GEO other than the Chief Executive Officer (the Named Executive Officers), for services in all capacities while they were employees of GEO, and the capacities in which the services were rendered. In addition, the table shows other Long-Term Compensation awarded to the Named Executive Officers for the indicated years.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation		
		Salary(\$)	Bonus\$(1)	Other\$(2)	LTIP Payouts (\$)	Securities Underlying Options/SARs(#)
George C. Zoley Chairman of the Board & CEO	2003	664,125	478,170	2,683,138		75,818
	2002	632,500	414,000	888,522		75,000
	2001	575,000	373,500			70,000
Wayne H. Calabrese Vice Chairman, President & COO	2003	470,400	289,296	1,340,100		50,547
	2002	448,000	251,500	595,510		50,000
	2001	400,000	233,500			50,000
John G. O'Rourke Senior VP Chief Financial Officer	2003	267,960	140,653	945,288		30,327
	2002	255,200	119,500	405,919		30,000
	2001	232,000	108,000			25,000
Carol M. Brown Senior VP Health Services	2003	265,256	139,259			30,327
	2002	252,625	118,000			30,000
	2001	235,000	109,500			25,000
Donald H. Keens Senior VP International Services	2003	242,681	127,408			30,327
	2002	231,125	100,500			30,000
	2001	215,000	100,500			