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15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

17 CORECIVIC, INC.,
18 Plaintiff,
19 v.
20 CANDIDE GROUP, LLC and
21 MORGAN SIMON,
22 Defendants.
23

CIVIL ACTION NO: 2:20-CV-02128

COMPLAINT FOR:

- 24 **1. DEFAMATION**
- 25 **2. DEFAMATION BY**
- 26 **IMPLICATION**

27 1. This defamation action arises out of Candide Group LLC’s and
28 Morgan Simon’s (“Defendants”) campaign to promote two demonstrable
falsehoods for the purpose of driving capital away from CoreCivic, Inc. and toward
the investment products Defendants profit from.

1 2. ***First***, although ***CoreCivic does not and has never operated***
2 ***immigrant detention facilities for children separated from their parents at the***
3 ***border—and although those facilities are operated by the government or by other***
4 ***companies***¹—Defendants have deliberately led the public to believe otherwise,
5 exploiting the Families Belong Together movement and misdirecting public outrage
6 over the Trump Administration’s family separation policy for their own financial
7 gain.

8 3. ***Second***, although ***CoreCivic does not lobby for harsher sentencing***
9 ***or immigration laws***, Defendants have recklessly and repeatedly promoted the
10 myth that the company lobbies to incarcerate as many people as possible for as long
11 as possible.

12 4. Defendants promoted these falsehoods in numerous posts and
13 marketing pieces on Forbes.com, on social media, and elsewhere. Defendants did
14 so with actual malice, disregarding their first-hand knowledge, intentionally
15 disregarding numerous publicly available sources rebutting their false claims,
16 purposefully avoiding contacting CoreCivic for comment before publication, and—
17 when specifically put on notice of the truth and asked to retract—doubling down on
18 and republishing their false accusations, all in furtherance of a plan to financially
19 enrich themselves at CoreCivic’s expense.

20 5. Defendants’ falsehoods have had their intended effect and have
21 caused CoreCivic financial and reputational harm, prompting the public to shun and
22 avoid the company and driving up the cost of capital for the company.

23 6. CoreCivic brings this action to set the record straight, to vindicate
24 the company’s rights under civil law, to recover compensatory and punitive
25 damages for the harm Defendants have caused, and to stand up for the thousands of
26

27 ¹ All bold and italic emphases added unless otherwise noted. All underlining in
28 original unless otherwise noted.

1 people who work at CoreCivic.

2 **PARTIES**

3 7. Plaintiff CoreCivic, Inc. provides a broad range of services
4 designed to help local, state, and federal governments meet their respective needs in
5 a cost-effective manner. These services include managing correction and detention
6 facilities, providing real estate solutions, and maintaining reentry centers.
7 CoreCivic is an industry leader that has lobbied in favor of criminal justice reforms
8 to reduce recidivism and incarceration rates by helping people more successfully
9 reenter society upon their release. The company is headquartered in Tennessee and
10 incorporated in Maryland.

11 8. The Candide Group, LLC (“Candide”) is a for-profit California
12 State Registered Investment Advisor with \$40 million of client assets under
13 management that is focused on convincing high-net worth individuals and
14 companies to redirect their capital to the investment products the company profits
15 from promoting. Candide is a domestic California company and is headquartered in
16 Alameda County, California. Upon information and belief, Candide has two
17 members: Morgan Simon and Aner Ben-Ami, a resident of Oakland, California
18 who is domiciled in California.

19 9. Morgan Simon is a financial advisor and a founding partner and
20 50% owner of Candide. At all times relevant to this Complaint, Simon was
21 speaking on behalf of both herself and Candide. On information and belief, Simon
22 is a United States Citizen who resides in Los Angeles County and is domiciled in
23 California.

24 **JURISDICTION AND VENUE**

25 10. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §
26 1332 because the parties are citizens of different states and the amount in
27 controversy exceeds \$75,000, exclusive of interest and costs.

28 11. This Court has personal jurisdiction over Defendants pursuant to

1 California’s long-arm statute, Cal. C.C.P. § 410.10, which extends jurisdiction to the
2 full extent permissible under the Due Process Clause of the United States
3 Constitution, because (1) Candide is a domestic California company and is
4 headquartered in California; (2) Simon is a resident of and is domiciled in
5 California; (3) Defendants do business in California; and (4) Defendants published
6 the statements giving rise to this action in California.

7 12. Venue is proper under 28 U.S.C. § 1391 (b) and (c) because a
8 substantial portion of the events or omissions giving rise to this action occurred in
9 this judicial district, because Simon is a resident of this judicial district, and
10 because Candide is a resident of California.

11 **FACTS**

12 13. Defendant Simon is a registered investment advisor in California
13 and has worked in the financial industry for nearly two decades.²

14 14. In order to differentiate herself from a flooded field of for-profit
15 investment advisors, Simon claims that she has redefined and revolutionized the
16 archetypal “investor” or venture capitalist in their “ivory tower of three-piece suits,
17 board rooms, and bank vaults,” by promoting “socially conscious” investments. *Id.*

18 15. Simon boasts that she has “personally influenced over \$150 billion
19 in funds since 2001.” *Id.* Simon claims she is able to distill “a practice previously
20 reserved for Wall Street into a language spoken on every main street in the world.”
21 *Id.*

22 16. In 2013, Simon co-founded and became a 50% owner of Defendant
23 Candide, a for-profit financial investment firm.³

24 17. Candide differentiates itself in the investment firm industry by
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27 ² Morgan Simon, <http://morgansimon.com/morgans-bio>.

28 ³ Candide Group, <https://candidegroup.com/>.

1 attempting to convince investors, institutions, and banks to divest from companies
2 like CoreCivic and to invest in the investment products Candide sells. *Id.*

3 18. While Candide focuses on private investments, it also actively
4 partners with other financial managers to “build diverse, impactful portfolios across
5 asset classes,” and “has supported over 65 investments in companies and funds,”
6 including private equity and venture funds and real estate funds.⁴

7 19. Defendants profit by identifying companies and investment funds
8 for their clients, in exchange for either a fixed fee or fixed percentage of the client’s
9 investment in the funds or companies they select.

10 20. Defendants currently have \$40 million of client assets under
11 management. Defendants charge their clients approximately \$420,000-500,000
12 annually if they choose a fixed fee structure.⁵ And clients choosing to invest
13 through an Investment Management fee structure are charged a percentage of their
14 invested assets, as follows:⁶

Assets Under Advisement	Annual Advisory Fee
0 to \$4,999,999	1.75%
\$5,000,000 to \$9,999,999	1.5%
\$10,000,000 and above	1.25%

19 21. Defendants encourage clients and potential clients to invest in the
20 companies and funds they support and partner with. *Id.*

21 22. The more capital Defendants redirect from companies like
22 CoreCivic into the investment products Defendants offer, the more money
23 Defendants make.

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26 ⁴ Candide Group, *Our Portfolio*, <https://candidegroup.com/portfolio>.

27 ⁵ Candide Group ADV II.

28 ⁶ *Id.*

1 23. Simon also sought to expand her and Candide’s public profiles in
2 the financial industry by publishing a book entitled “Real Impact: The Economics
3 of Social Change.”⁷ Simon also makes money and profits from sales of her book.

4 24. To further expand their public profile and client base, Defendants
5 have published marketing pieces on the Forbes.com platform and exploited the
6 Forbes brand to promote themselves and Simon’s book. In her Forbes biography,
7 Simon describes herself as an “investor” first. Defendants recklessly and
8 intentionally publish false statements in marketing pieces on Forbes.com, with the
9 intent to redirect capital from companies like CoreCivic and into the companies and
10 investment funds from which Defendants profit.

11 25. While these marketing pieces identify Simon as the author, the
12 pieces are written on behalf of both Defendants. This is not only evident from the
13 language within the text of these pieces, but through Candide’s “Full Disclosure”
14 which is hyperlinked on the bottom of each post.⁸ This Candide Disclosure
15 confirms that “the information and opinions stated [within the post] reflect Candide
16 Group’s views as of the time of publication.” *Id.*

17 **The Trump Administration’s Family Separation Policy Ignites A Movement**

18 26. On the campaign trail in 2015-2016, then-candidate Donald Trump
19 made immigration a centerpiece of his campaign, offering a more hard-lined
20 approach to immigration policy than previous administrations and his opponents.

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23 ⁷ Morgan Simon, *Real Impact: The New Economics of Social Change* (2017),
24 available at, https://www.amazon.com/Real-Impact-Economics-Social-Change/dp/1568589808/ref=sr_1_2?crid=30LJ9M0P9OK4&keywords=real+impac+t+the+new+economics+of+social+change&qid=1572395052&prefix=real+impact,aps,133&sr=8-2.

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26 ⁸ Candide Group Disclosures 3, available at,
27 https://docs.google.com/document/d/1HdOh3uInhXvBzHUWKPVWoF8C9ACfH8PDcXFb0D_GZdo/edit.

1 He launched his campaign with a speech alleging Mexico was “sending people that
2 have a lot of problems, and they’re bringing those problems with us. They’re
3 bringing drugs. They’re bringing crime. They’re rapists.” Trump’s rhetoric on
4 immigration drew ire from many Americans, who became concerned that his stance
5 on immigration over the southern border would lead to inhumane policies meant to
6 deter illegal border crossings.

7 27. After President Trump took office, many Americans were on high
8 alert about immigration policies his administration would initiate to deter
9 immigration at the southern border.

10 28. In early 2017, government watchdogs and news outlets began
11 reporting that the Trump Administration was considering separating *all*
12 undocumented children from their families if they crossed the southern border, as a
13 deterrent against border crossings.

14 29. On March 7, 2017, John Kelly, then Secretary of State, confirmed
15 the fears of many by admitting that the Trump Administration was in fact
16 considering such a policy.

17 30. Under previous administrations, border-crossers were only
18 occasionally prosecuted and separated from their families, and children were only
19 separated from their parents when authorities had concerns for their well-being or
20 could not confirm that an adult was in fact a child’s legal guardian.

21 31. In the summer of 2018—in response to families of asylum seekers
22 fleeing violence in Central America—Jeff Sessions announced that the Trump
23 Administration had enacted a “zero tolerance” policy at the southern border and the
24 Departments of Justice and Homeland Security would partner together to prosecute
25 everyone who crossed the border illegally and, in doing so, would separate all
26 children who crossed the border with their parents.

27 32. Sessions issued a warning to parents who contemplated a border
28 crossing, stating: “If you are smuggling a child, then we will prosecute you and that

1 child will be separated from you as required by law. If you don't like that, then
2 don't smuggle children over our border."

3 33. Over a six-week period, between April 19 and May 31, 2018, the
4 Administration reported that nearly 2,000 children were separated from their
5 families as part of the zero-tolerance initiative.

6 34. Because of the large number of children being separated from their
7 families at the border, the Trump Administration did not place them in foster homes
8 as previous administrations had done and, instead, placed separated children in
9 immigration detention centers.

10 35. The Trump Administration's family separation policy sparked
11 international condemnation, as people from all walks of life and political leanings
12 became heartbroken and outraged over photographs and accounts of children
13 separated from their parents and locked up in a metal cage with bed pads and mylar
14 blankets at the U.S. Border Patrol facilities in Clint, Texas and McAllen, Texas:



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26 36. Public outrage galvanized a movement against the Trump
27 Administration's family separation policy—the likes of which had never been seen
28 before. Tens of thousands of citizens in all 50 states and numerous non-profit

1 organizations opposed the family separation policy under the banner and hashtag
2 “#FamiliesBelongTogether,” and participated in rallies and protests across the
3 country.

4 37. Religious and political leaders demanded that the administration
5 stop separating children from their families and locking them up in detention
6 centers.

7 38. Six hundred Methodists filed a formal complaint against Jeff
8 Sessions for his involvement in the family separation policy, charging him with
9 child abuse, immorality, racial discrimination, and “dissemination of doctrines
10 contrary to the standards of doctrine of the United Methodist Church.”

11 39. Protestors and elected officials camped outside of detention
12 facilities to bring awareness to the plight of the children and demand that the
13 Administration put a stop to the family separation policy.

14 40. In June 2019, a video of a U.S. Attorney’s oral argument before the
15 United States Court of Appeals for the Ninth Circuit went viral and drew renewed
16 condemnation of the family separation policy and the Trump Administration’s
17 argument that it was not required to provide soap, toothbrushes, or beds to detained
18 migrant children separated from their parents.

19 41. That same month, reports began to emerge from immigration
20 attorneys alleging hundreds of migrant children separated from their parents were
21 being held in harsh conditions at the U.S. Customs and Border Protection’s station
22 in Clint, Texas. Lawyers warned that “kids are taking care of kids, and there’s
23 inadequate food, water and sanitation for the 250 infants, children and teens” at
24 certain detention facilities.

25 **CoreCivic Has Never Operated Any Of The Facilities That House Children**
26 **Separated From Their Families Pursuant To The Trump Administration’s**
27 **Family Separation Policy**

28 42. CoreCivic does not, nor has it ever, operated any immigration

1 detention facilities for children separated from their parents pursuant to the
2 government’s family separation policy.⁹

3 43. CoreCivic does not operate and has never operated the U.S.
4 Customs and Border Protection stations in Clint, Texas or in McAllen, Texas—the
5 facilities that galvanized the Families Belong Together movement in response to the
6 Trump Administration’s family separation policy.

7 44. The immigration detention facilities that house children separated
8 from their parents at the border are either run by the government or by other
9 companies.

10 45. CoreCivic does not operate any border patrol facilities.

11 **Defendants Exploit the Families Belong Together Movement For Their Own**
12 **Financial Gain**

13 46. Defendants saw an opportunity to exploit the Families Belong
14 Together movement for their own financial gain: they could promote Candide’s for-
15 profit investment offerings by misdirecting public outrage—*and thereby*
16 *redirecting capital*—over something CoreCivic does not do and has never done:
17 namely, operating immigrant detention facilities for children separated from their
18 parents pursuant to the government’s family separation policy.

19 47. Beginning in September 2018, Defendants repeatedly targeted
20 CoreCivic and The GEO Group, Inc. (“GEO Group”) with accusations falsely
21 connecting them to the immigrant detention facilities for separated children that
22 were the focus of the Families Belong Together movement and the resistance to the
23 Trump Administration’s family separation policy. Although neither CoreCivic nor
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25 ⁹ CoreCivic, *What We Do*,
26 http://www.corecivic.com/hubfs/_resources/What%20We%20Do%20Card.pdf
27 (“We don’t provide housing for any children who aren’t under the supervision of a
28 parent. We also don’t operate shelters for unaccompanied minors, nor do we
operate border patrol facilities.”).

1 GEO Group run any of those facilities, Defendants targeted CoreCivic and GEO
2 Group because they have the two largest market capitalizations in the private prison
3 industry and therefore offered Defendants the largest potential financial gain from
4 redirected capital.

5 48. Defendants launched a comprehensive campaign across multiple
6 public channels to exploit the Families Belong Together movement, to mislead the
7 public about CoreCivic’s involvement in the family separation policy, and to
8 encourage investors, institutions, and banks to divest from CoreCivic and invest in
9 products from which Defendants profit. For example, in a September 25, 2018
10 Forbes post entitled “What Do Big Banks Have To Do With Family Detention?
11 #FamiliesBelongTogether Explains,” Defendants wrote:

12 The two largest prison companies, CoreCivic and Geo
13 Group, have over \$2BN a year in ICE contracts,
14 managing some of the detention centers that have been at
15 the heart of the controversy over the separation of
16 families....”¹⁰

17 49. Defendants went on to plug Candide by stating that the company
18 joined the Families Belong Together movement to urge banks to stop financing
19 CoreCivic. *Id.*

20 50. As part of that post, Defendants promoted two Families Belong
21 Together coalition members in Defendants’ pitch to potential investors about “the
22 relationship of banks to family detention,” with the intent of convincing potential
23 investors that they can help stop family separation as “both investors and retail
24

25 ¹⁰ Morgan Simon, *What Do Big Banks Have To Do With Family Detention?*
26 *#FamiliesBelongTogetherExplains*, Forbes (Sept. 25, 2018),
27 <https://www.forbes.com/sites/morgansimon/2018/09/25/what-do-big-banks-have-to-do-with-family-detention-familiesbelongtogether-explains/#5adf83f62b6a>,
28 attached as Exhibit A.

1 customers” by divesting from any financial institution with ties to CoreCivic. *Id.*

2 51. In a March 5, 2019 Forbes post entitled “JPMorgan Chase is Done
3 With Private Prisons”¹¹ and a September 30, 2019 post entitled “GEO Group
4 Running Out of Banks as 100% of Known Banking Partners Say ‘No’ to the Private
5 Prison Sector,”¹² Defendants connected banks’ withdrawal of funding to the
6 Families Belong Together campaign against the family separation policy.

7 52. In Defendants’ posts urging divestment from CoreCivic,
8 Defendants beckoned potential investors to invest in the alternative investments
9 from which they profit—with \$40 million of client assets under management—by
10 hyperlinking to Defendants’ website and social media feeds that promote Candide,
11 its products, and Simon’s book.

12 53. Defendants also used Twitter to help boost the reach of their smear
13 campaign against CoreCivic and to encourage people to divest from CoreCivic in
14 favor of the investment products from which Defendants profit.

15 54. Simon, acting on behalf of herself and Candide, tweeted links to
16 Defendants’ Forbes posts about CoreCivic, and in a March 6, 2019 tweet, Simon
17 coupled the Forbes marketing piece with the hashtag “#FamiliesBelongTogether,”
18 to ensure that readers would tie the statements in her posts about CoreCivic to the
19 detention of immigrant children separated from their parents:

23 ¹¹ Morgan Simon, *JPMorgan Chase Is Done With Private Prisons*, Forbes (Mar. 5,
24 2019), <https://www.forbes.com/sites/morgansimon/2019/03/05/jpmorgan-chase-is-done-with-private-prisons/#123dd363690d>, attached as Exhibit B.

25 ¹² Morgan Simon, *GEO Group Running Out of Banks as 100% of Known Banking*
26 *Partners Say ‘No’ to the Private Prison Sector*, Forbes (Sept. 30, 2019),
27 [https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-](https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/#7b005d032986)
28 [banks-as-100-of-banking-partners-say-no-to-the-private-prison-](https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/#7b005d032986)
[sector/#7b005d032986](https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/#7b005d032986), attached as Exhibit C.

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 **Morgan Simon**
@MorganSimon1

#ICYMI: Here's how activists and investors came together to get the largest bank in the US out of private prisons. Grateful to be a part of this work!
forbes.com/sites/morgansi... #realmoneymoves
#familiesbelongtogether #backersofhate



JPMorgan Chase Is Done With Private Prisons
After years of targeted actions by activists and shareholders, JP Morgan Chase announced early this morning that they will stop financing private prisons, calli...
forbes.com

1:15 PM · Mar 6, 2019 · [Twitter Web Client](#)

55. Defendants knew that tying CoreCivic to the movement against family separation would mislead the public to conclude that CoreCivic ran the facilities that detained unaccompanied minors and were the focus of the movement: Defendants admitted in a “clarification” to the March 5, 2019 post that they know

1 that the terminology “family separation” focuses on “the detention of children.”¹³

2 56. The Defendants’ tweets also misled the public about CoreCivic by
3 conveying that large financial institutions withdrew their financing from CoreCivic
4 in response to the Families Belong Together movement, while deliberately omitting
5 the material fact that CoreCivic does not and has never run the immigrant detention
6 facilities for separated children that were at the heart of that movement:



¹³ Morgan Simon, *JPMorgan Chase Is Done With Private Prisons*, Forbes (updated Oct. 10, 2019), <https://www.forbes.com/sites/morgansimon/2019/03/05/jpmorgan-chase-is-done-with-private-prisons/-73470464690d>, attached as Exhibit D.

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57. Simon appeared on The Van Jones Show to talk about Defendants’ campaign against companies like CoreCivic. During that interview, Simon took credit for the financial and reputational harm Defendants’ accusations have caused CoreCivic, stating that through the Families Belong Together coalition she has been able to pressure “over 60 percent” of the known banks providing credit and term loans to CoreCivic” to pull their funding which “mean[s] [CoreCivic is] going to be struggling when it’s time to raise more money...”¹⁴

¹⁴ The Van Jones Show, CNN (Oct. 19, 2019), *transcript available at*,

1 **Defendants Knew and Recklessly Disregarded the Falsity of Their Claims**
2 **About CoreCivic’s Involvement in the Family Separation Policy**

3 58. On the “What We Do” section of CoreCivic’s publicly available
4 website, the company states in bold print that “CoreCivic never has and never will
5 house unaccompanied minors.”¹⁵

6 59. This information was readily available to Defendants before they
7 published their false accusations on Forbes.com and on their social media accounts.
8 CoreCivic being one of Defendants’ primary targets, Defendants have visited and
9 read CoreCivic’s website, including the “What We Do” section of it.

10 60. Moreover, Defendants close the protests of the immigrant detention
11 facilities that house unaccompanied minors. Accordingly, Defendants had first-
12 hand knowledge that none of those facilities are operated by CoreCivic.

13 61. Defendants purposefully avoided reaching out to CoreCivic for
14 comment before publishing their false accusations about the company because they
15 knew that the truthful information CoreCivic would have provided undercuts the
16 Defendants’ marketing materials and investment strategies.

17 62. On October 2, 2019, CoreCivic sent a letter putting Defendants on
18 formal notice of the facts—CoreCivic has never and will never house
19 unaccompanied minors pursuant to the family separation policy—and demanding
20 that the false accusations be retracted.¹⁶

21 63. Instead of retracting their false statements, Defendants published a
22 purported “clarification” to the March 5 post that dismisses the truth as something
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<http://transcripts.cnn.com/TRANSCRIPTS/1910/19/vjs.01.html>.

25 ¹⁵ CoreCivic, *What We Do, What We Don’t Do*, [http://www.corecivic.com/what-](http://www.corecivic.com/what-we-do-what-we-dont-do)
26 [we-do-what-we-dont-do](http://www.corecivic.com/what-we-do-what-we-dont-do).

27 ¹⁶ Letter from Elizabeth Locke and Megan Meier to Morgan Simon (October 2,
28 2019), attached as Exhibit E.

1 “CoreCivic has stated,” and states that Defendants view “the phenomena of family
2 separation” as including incarceration *of any kind*.¹⁷

3 64. Defendants’ writings reveal that Defendants knew that their posts
4 about CoreCivic, “family separation,” and the “Families Belong Together”
5 movement would be understood by reasonable readers to mean that CoreCivic
6 operates immigrant detention facilities for children separated from their parents at
7 the U.S. border pursuant to the family separation policy.

8 65. For example, in both their October 10 response letter to CoreCivic
9 and in their “clarification” to the March 5 post, Defendants admitted that the
10 “terminology of ‘family separation’ tends to focus on the detention of children.”¹⁸

11 66. In their September 25, 2018 post, Defendants published a
12 marketing piece featuring members of Families Belong Together who explained
13 that the movement “emerged in response to the family detention crisis, starting with
14 the recent separation of families at the border...”¹⁹ In that post, Defendants also
15 falsely claimed that “CoreCivic ... manag[es] some of the detention centers that
16 have been at the heart of the controversy over the separation of families and
17 incarceration of individuals for crossing the US border.” *Id.*

18 67. After receiving CoreCivic’s letter explaining that the company does
19 not and has never managed any of the detention centers at the heart of the family
20 separation controversy, Defendants made a deliberate choice to republish their false
21 statement to a new audience by hyperlinking to that post in their update to the
22 March 5, 2019 post.²⁰

24 ¹⁷ Exhibit D.

25 ¹⁸ *See Id.*

26 ¹⁹ Exhibit A.

27 ²⁰ Exhibit D.

1 Defendants wrote:

2 Given [CoreCivic’s and GEO Group’s] business model
3 depends on keeping a consistent number of people
4 incarcerated, it’s been speculated and critiqued that this is
5 why GEO Group and CoreCivic have spent \$25M on
6 lobbying over the past three decades to push for harsher
7 criminal justice and immigration laws.²³

8 73. In the same paragraph, Defendants encouraged “every day” people
9 to put an end to CoreCivic’s purported efforts to “funnel[] more detainees into their
10 facilities” by closing their accounts with banks that finance CoreCivic:

11 A cycle emerges when one follows the money in banks,
12 banks lend that money out to the private prison industry,
13 the private prison industry uses that financing for their
14 day to day work including lobbying, which successfully
15 funnels more detainees into their facilities, and banks reap
16 a payoff from their loans.²⁴

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18 74. In both posts, while imploring investors to divest from CoreCivic,
19 Defendants encourage potential investors to invest in their alternative investments
20 by hyperlinking to Simon’s website and social media feeds, which promote
21 Candide and its products.

22 **CoreCivic Does Not Lobby For Any Policies Or Legislation That Would**
23 **Determine The Basis For Or Duration Of Any Individual’s Incarceration Or**
24 **Detention**

25 75. CoreCivic has never lobbied for harsher sentences or immigration

26 _____
27 ²³ Exhibit C.

28 ²⁴ *Id.*

1 laws.

2 76. To the contrary, CoreCivic has lobbied in favor of criminal justice
3 reforms to reduce recidivism and incarceration rates by helping people successfully
4 reenter society upon their release.

5 77. In 2014, Core Civic made a series of commitments with the goal of
6 creating the best inmate reentry program in corrections facilities. The three core
7 pledges were:

- 8 • Reentry will be a “Day One” priority at CoreCivic facilities;
- 9 • Every CoreCivic professional will be a reentry professional;
- 10 • Every dollar government partners invest in reentry will be a dollar
11 proven to reduce recidivism.

12 78. Along with these commitments, CoreCivic has established
13 measurable goals for evaluating success and holding itself accountable for long-
14 term progress.

15 **Defendants Knew And Recklessly Disregarded The Truth**
16 **About CoreCivic’s Lobbying Efforts**

17 79. In publishing their false claims about CoreCivic’s lobbying activity,
18 Defendants knew and recklessly disregarded the facts.

19 80. Before publication, Defendants were aware of and read at least two
20 articles that rebutted their false claims about CoreCivic’s lobbying efforts.

21 81. First, Defendants had read an NPR article stating that CoreCivic
22 (formerly known as Corrections Corporation of America) had no role in drafting or
23 supporting the Arizona immigration law that required law enforcement to arrest and
24 detain anyone who could not show proof that they were in the U.S. legally.²⁵

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26
27 ²⁵ Laura Sullivan, *Prison Economics Help Drive Ariz. Immigration Law*, NPR (Oct.
28 28, 2010), <https://www.npr.org/2010/10/28/130833741/prison-economics-help-drive-ariz-immigration-law>.

1 82. Second, Defendants had read a Business Insider article that
2 expressly acknowledged that CoreCivic does not lobby for any policies that
3 “determine ‘the basis for or duration of an individual’s incarceration or
4 detention.’”²⁶

5 83. CoreCivic’s website also contains detailed information about the
6 company’s lobbying activity, including several annual “Political Activity and
7 Lobby Reports,” and states:

8 CoreCivic’s political and governmental relations activities
9 are designed to educate federal, state and local officials on
10 the benefits of partnerships corrections, CoreCivic’s
11 ability to assist them in meeting their needs and our track
12 record of success. Our company does not, under
13 longstanding policy, lobby for or against policies or
14 legislation that would determine the basis for or duration
15 of an individual’s incarceration or detention.

16 84. CoreCivic being one of their primary targets, Defendants have
17 visited and read CoreCivic’s website, including the “Political Activity and
18 Lobbying Reports” section of it.

19 85. In addition to this information that was in Defendants’ hands before
20 publication, the nature of CoreCivic’s lobbying activity is also disclosed in
21 numerous reliable sources in the public domain, including government websites and
22 non-profit websites.

23 86. For example, both Senate.gov and House.gov provide easy access
24

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26
27 ²⁶ Michelle Mark, *The biggest problem with private prisons starts on Capitol Hill*,
28 Business Insider (Aug. 20, 2016), <https://www.businessinsider.com/private-prisons-lobby-for-their-own-existence-2016-8>.

1 to the Lobbying Act Disclosure Database.²⁷ With respect to CoreCivic, each
 2 relevant disclosure form noticeably states that under CoreCivic’s policy, the
 3 company does **“not lobby for or against any policies or legislation that would
 4 determine the basis for an individual’s incarceration or detention.”**²⁸

5 87. A simple Google search also reveals that many non-profits and
 6 government watchdogs have databases on their websites allowing users to search
 7 for lobbying disclosures.

8 88. ProPublica’s database yields results for CoreCivic’s lobbying
 9 activities,²⁹ and the details provided on these disclosures contain a clear disclaimer
 10 that “Consistent with CoreCivic Policy,” the firm “does not lobby for or against any
 11 policies or legislation that would determine the basis for an individual’s
 12 incarceration or detention.”³⁰

13 89. OpenSecrets.org’s database also produces CoreCivic’s lobbying
 14

15
 16 ²⁷ See The United States Senate, Query the Lobby Disclosure Act Database,
 17 <https://soprweb.senate.gov/index.cfm?event=selectFields&reset=1;>
 18 [https://disclosurespreview.house.gov/?index=%22lobbying-](https://disclosurespreview.house.gov/?index=%22lobbying-disclosures%22&size=10&sort=[{%22score%22:true},{%22field%22:%22registrant.name%22,%22order%22:%22asc%22}])
 19 [disclosures%22&size=10&sort=\[{%22score%22:true},{%22field%22:%22registrant.name%22,%22order%22:%22asc%22}\]](https://disclosurespreview.house.gov/?index=%22lobbying-disclosures%22&size=10&sort=[{%22score%22:true},{%22field%22:%22registrant.name%22,%22order%22:%22asc%22}]).

20 ²⁸ Examples of this language can be found on the Senate.gov website at:
 21 [https://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=83F35D12-](https://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=83F35D12-FB49-4FBF-8F8A-47F6ED682B84&filingTypeID=60)
 22 [-FB49-4FBF-8F8A-47F6ED682B84&filingTypeID=60](https://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=83F35D12-FB49-4FBF-8F8A-47F6ED682B84&filingTypeID=60) and the House.gov website
 here: <http://disclosures.house.gov/ld/ldxmlrelease/2019/Q2/301058394.xml>.

23 ²⁹ ProPublica, [https://projects.propublica.org/represent/lobbying/search?utf8=%E2](https://projects.propublica.org/represent/lobbying/search?utf8=%E2%9C%93&search=CoreCivic+Inc.&commit=Search)
 24 [%9C%93&search=CoreCivic+Inc.&commit=Search](https://projects.propublica.org/represent/lobbying/search?utf8=%E2%9C%93&search=CoreCivic+Inc.&commit=Search).

25 ³⁰ ProPublica, CoreCivic,
 26 Inc., <https://projects.propublica.org/represent/lobbying/r/301016424>; ProPublica,
 27 CoreCivic, Inc., <https://projects.propublica.org/represent/lobbying/r/300981160>;
 28 ProPublica, CoreCivic,
 Inc., <https://projects.propublica.org/represent/lobbying/r/301016853>; ProPublica,
 CoreCivic, Inc., <https://projects.propublica.org/represent/lobbying/r/300983664>.

1 reports by year, and each report identifies the issues the lobbying firms employed
2 by CoreCivic work on and contains the same disclosure above.³¹

3 90. Because CoreCivic was a primary target of their marketing and
4 investment strategy, Defendants visited and reviewed this publicly-available
5 information about CoreCivic on at least one of these websites and knew, before
6 making their false statements, that CoreCivic does not and has not lobbied for
7 harsher sentences and immigration laws. Defendants intentionally disregarded this
8 wealth of publicly available information.

9 91. Defendants also purposefully avoided reaching out to CoreCivic for
10 comment before publication, because they knew that CoreCivic would provide
11 them truthful information that it does not lobby for longer sentences, which would
12 have undercut Defendants' investment and marketing strategies.

13 **Defendants Refuse To Retract Their False Claims That CoreCivic Lobbies For**
14 **Harsher Sentencing And Immigration Laws And Instead Publish New False**
15 **Claims**

16 92. In the October 2, 2019 letter, CoreCivic apprised Defendants of the
17 truth about its lobbying activities, directed them to the publicly available
18 information confirming the facts, and demanded that the false claims be retracted.

19 93. Instead of retracting their statements, Defendants doubled down
20 and published additional false allegations about CoreCivic's lobbying efforts.

21 94. Despite CoreCivic's explicit request that Defendants reach out to
22 the company before publishing any additional claims about it, Defendants again
23 purposefully avoided contacting CoreCivic for comment before publishing new
24 false statements about the company.

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26
27 ³¹ OpenSecrets, CoreCivic, Inc.,
28 <https://www.opensecrets.org/orgs/lobby.php?id=D000021940>.

1 95. In their October 10, 2019 “updates” to the March 5 and September
2 30 posts,³² Defendants dismissed the truth as something “CoreCivic say[s],” and
3 doubled down on their false allegations about the company’s lobbying activities,
4 writing that:

5 Disclosures show [CoreCivic has] lobbied on a number of
6 bills related to funding of ICE enforcement over the years.
7 GEO Group and CoreCivic say that they don’t lobby on
8 legislation or policies that would affect the basis for or
9 length of incarceration or detention, but according to the
10 Justice Policy Institute, [the] compan[y] ha[s] served on
11 task forces of the American Legislative Exchange Council
12 (ALEC), which has written and promoted model
13 legislation focused on mandatory minimum sentences,
14 three strikes laws, and ‘truth in sentencing’ legislation.

15 96. As Defendants intended, this passage again falsely conveys to
16 readers that CoreCivic lobbies for harsher criminal sentences.

17 97. It also contains new false allegations about CoreCivic, accusing the
18 company of partnering with ALEC to write and promote legislation for mandatory
19 minimum sentences, three strikes laws, and “truth in sentencing” legislation.

20 98. These new allegations are also false.

21 99. CoreCivic has never written or promoted model legislation focused
22 on mandatory minimum sentences, three strikes laws, or “truth in sentencing”
23

24
25 ³² Exhibit D; Morgan Simon, *GEO Group Running Out of Banks as 100% of*
26 *Known Banking Partners Say ‘No’ to the Private Prison Sector*, Forbes (Oct. 10-
27 11, 2019 update), [https://www.forbes.com/sites/morgansimon/2019/09/30/geo-](https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/#3eafc7593298)
28 [group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-](https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/#3eafc7593298)
[sector/#3eafc7593298](https://www.forbes.com/sites/morgansimon/2019/09/30/geo-group-runs-out-of-banks-as-100-of-banking-partners-say-no-to-the-private-prison-sector/#3eafc7593298), attached as Exhibit G.

1 legislation.

2 100. While CoreCivic had a passive, non-voting membership in
3 ALEC—America’s largest nonpartisan organization of state legislatures—it has not
4 been a member or had any involvement with ALEC in nearly a decade.

5 101. The report cited by Defendants in support of their false accusation
6 about CoreCivic’s lobbying activities is misleading and nearly a decade old.

7 102. Before publishing these additional false statements, Defendants
8 were aware of the lobbying disclosures showing CoreCivic’s lobbying, that
9 Defendants falsely described as “related to funding for ICE enforcement,” did *not*
10 seek to increase enforcement of immigration laws or increase the amount of
11 immigrant detention or incarceration in any way, but included lobbying for the
12 “Cellphone Jamming Reform Act,” which would *make prisons safer* by enabling
13 them to block contraband cellphones that pose a serious risk to security; for
14 appropriations bills so that the government would be able to honor existing
15 contracts; and for the “Fair Chance to Compete for Jobs Act,” to *help former*
16 *inmates* compete fairly for employment with federal agencies and federal
17 contractors.

18 103. In the October 29, 2019 letter, CoreCivic *again* apprised
19 Defendants of the truth about its lobbying activities and demanded that the false
20 claims be retracted—including the new false claims.³³ Defendants did not retract
21 their false statements.

22 **CoreCivic Has Suffered Reputational And Financial Harm**
23 **As A Result of Defendants’ False Accusations**

24 104. As a result of Defendants’ false accusations, CoreCivic has suffered
25 reputational and financial harm.

26 105. Defendants intended to harm CoreCivic. Defendants admittedly

27 _____
28 ³³ Exhibit F.

1 attempted to influence investors to divest from CoreCivic, encouraged the public to
2 stop working with banks that finance CoreCivic, and pressured banks to stop
3 financing CoreCivic.

4 106. Before Defendants' publication of the false accusations about
5 CoreCivic and their campaign to encourage banks to stop financing CoreCivic's
6 industry, many large banks were competing for CoreCivic's business. This
7 competition gave CoreCivic leverage to negotiate favorable financing terms.

8 107. In early March of 2019, JP Morgan, a bank with which CoreCivic
9 had a banking relationship, announced that it would no longer bank with the private
10 prison industry because, companies in CoreCivic's industry had become targets of
11 protests over Trump administration immigration policies.

12 108. Defendants immediately took to the Forbes platform to congratulate
13 themselves for their role in causing JP Morgan's announcement—writing in their
14 March 5th post: “in 2018, united under the hashtag #FamiliesBelongTogether, 80+
15 organizations came together to form a corporate accountability committee targeting
16 big banks...Candide Group and its project Real Money Moves, are members of this
17 committee.”³⁴

18 109. Nevertheless, another bank indicated that it would be able to
19 arrange a loan for CoreCivic with favorable terms.

20 110. Then on June 26, 2019, Bank of America announced that it would
21 no longer finance private prison companies, which, on information and belief, it did
22 because of public pressure that Defendants created with their false accusations
23 about CoreCivic.

24 111. Again, Defendants took to the Forbes platform to applaud
25 themselves for their work in pushing Bank of America to make that decision, under
26

27
28 ³⁴ Exhibit B.

1 the banner of #FamiliesBelongTogether.³⁵ Defendants also noted that the bank’s
2 decision came on the heels of a viral image showing a father and his two-year-old
3 daughter who had drowned trying to enter the US border, writing: “exposure to the
4 graphic treatment of migrant children has sparked debate and outrage in the US
5 (and beyond) about the ways in which we not only allow—but actually profit
6 from—the suffering of asylum seekers.”

7 112. Defendants’ June 26th story also noted that Bank of America’s
8 decision corresponded with protests by Wayfair workers who were angry about the
9 company’s “decision to sell furniture to operators of facilities for migrant children
10 detained at the border.”

11 113. The very next day, a majority of the investors who had committed
12 to investing in CoreCivic’s Term Loan B withdrew their proposals and the bank
13 arranging the financing was unable to consummate the deal.

14 114. While on the October 19, 2019 Van Jones show, Simon, speaking
15 on behalf of herself and Candide, boasted about the financial and reputational
16 damage Defendants’ accusations had done, stating that through the Families Belong
17 Together coalition, Defendants had been able to encourage “over 60 percent” of the
18 known banks providing “credit and term loans to CoreCivic” to pull their funding
19 which “means [CoreCivic is] going to be struggling when it’s time to raise more
20 money... .”³⁶

21 115. Defendants made similar claims in an October 24, 2019 SoCap19
22 panel discussion and encouraged the audience to cheer for the financial and
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25 ³⁵ Morgan Simon, *Bank of America, Wayfair, Join those Saying “No” To Profiting
26 From Family Detention*, Forbes (June 26, 2019),
27 <https://www.forbes.com/sites/morgansimon/2019/06/26/bank-of-america-wayfair-join-those-saying-no-to-profiting-from-family-detention/#168621c56200>.

28 ³⁶ The Van Jones Show, CNN (Oct. 19, 2019), transcript available at,
<http://transcripts.cnn.com/TRANSCRIPTS/1910/19/vjs.01.html>.

1 reputational damage they had done to CoreCivic.³⁷

2 116. In December 2019, CoreCivic entered into a new Term Loan B.
3 However, due to the market pressure that Defendants deliberately manufactured
4 with their false accusations, the Term Loan B was at a higher interest rate and on
5 less favorable terms than had been offered in June 2019. The higher borrowing
6 costs amount to nearly \$8 million more per year than the cost under the previous
7 loan terms.

8 117. In sum, as a result of Defendants, false accusations, CoreCivic has
9 suffered reputational and financial harm.

10 **COUNT ONE – DEFAMATION**
11 **(AGAINST ALL DEFENDANTS)**

12 118. Plaintiff repeats and re-alleges each of the foregoing paragraphs as
13 if set forth fully herein.

14 119. Defendants made false and defamatory statements about CoreCivic
15 to a worldwide internet audience on multiple occasions beginning on March 5,
16 2019.

17 120. Specifically, Defendants made the following false and defamatory
18 statements of fact concerning CoreCivic:

- 19 a. On March 5, 2019, Defendants published an article on the
20 Forbes.com platform titled *JPMorgan Chase Is Done With*
21 *Private Prisons*, which states: “After years of targeted actions
22 by everyday activists and concerned shareholders, JP Morgan
23 Chase announced early this morning that they will stop
24 financing GEO Group and *CoreCivic—the largest operators of*

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27 ³⁷ SOCAP, *SOCAP10 Livestream Oct. 24*, YouTube (Oct. 24, 2019),
28 <https://www.youtube.com/watch?v=oFPy8nlWDIo&t=12509s>.

1 *private prisons and immigrant detention centers in the U.S. ...*
2 As explored in “[What Do Big Banks Have to Do With Private](#)
3 [Prisons](#),” GEO Group and CoreCivic have a long history of
4 profiting from mass incarceration: *they make money when beds*
5 *are filled, justly or unjustly, which is why they’ve spent \$25M*
6 *on lobbying over the past three decades to push for harsher*
7 *criminal justice and immigration laws.* Interestingly, while
8 only 10% of prisons and jails nationwide are for-profit, a third
9 of all immigration detention centers are privately owned...
10 receiving over \$1B a year in contracts from ICE (almost \$5.5M
11 a day of taxpayer money). Since *news of family separation at*
12 *the southern border began shedding more light on the abuses*
13 *inside such private facilities*, activists across the country have
14 been paying careful attention to who actually enables private
15 prison companies in their day to day operations. In other words,
16 they’ve been meticulously following the money story behind the
17 story – and found that brand-name banks like Chase, Wells
18 Fargo and Bank of America have provided billions in financing
19 to private prisons over the past decade. Over the past few years,
20 there’s been a steady drumbeat of actions from civil society
21 addressing this relationship. ... Then in 2018, *united under the*
22 *hashtag #FamiliesBelongTogether, 80+ organizations*—from
23 immigrant rights nonprofits to social investing firms—*came*
24 *together to form a corporate accountability committee*
25 *targeting big banks through both insider conversations and*
26 *consumer-facing strategies* (in full disclosure, the *author’s firm*
27 *Candide Group*, and its project Real Money Moves, *are*
28 *members of the committee*). ... On February 14th, *Families*

1 *Belong Together coalition members* ... put this ethos into
2 action with *protests at over 100 bank branches, and over*
3 *150,000 petition signatures asking Chase and Wells Fargo to*
4 *break up with private prisons—or pledging to break up with*
5 *their banks instead.*”

- 6 b. On March 5, 2019 and again on October 10, 2019, Defendants
7 republished their article titled *What Do Big Banks Have To Do*
8 *With Family Detention? #FamiliesBelongTogether Explains* on
9 the Forbes.com platform, by publishing a hyperlink to the
10 article, describing the article, and inviting readers to read it. The
11 article states: “The two largest private prison companies,
12 *CoreCivic* and GeoGroup, have over \$2BN a year in ICE
13 contracts, *managing some of the detention centers that have*
14 *been at the heart of the controversy over the separation of*
15 *families and incarceration of individuals for crossing the US*
16 *border*. Most investors are unlikely to have these two
17 companies directly in their portfolio—managed as REITS, they
18 are majority-owned by the funds Vanguard and Fidelity—but
19 that means your portfolio may still be connected to private
20 prisons, and by extension, the family detention crisis. More than
21 85 organizations ... have joined under a coalition effort called
22 *Families Belong Together* to urge Wells Fargo and JP Morgan
23 Chase to stop financing Geo Group and *CoreCivic*. ... *Families*
24 *Belong Together emerged in response to the family detention*
25 *crisis, starting with the recent separation of families at the*
26 *border* which drew national attention to what has been a long-
27 standing issue. *The coalition’s work is widespread, given the*
28 *depth of the crisis, from helping to reunite families to seeking*

1 just and comprehensive immigration reform. There is
2 specifically a Corporate Accountability branch of the coalition
3 focused on addressing the role of *CoreCivic* and GEO Group,
4 two *large for-profit prison corporations that hold contracts to*
5 *operate detention centers, and are profiting off the pain and*
6 *separation of families.* ... We ... have long worked on *family*
7 *separation* and the incarceration of our families at the border.
8 ... *At the Trump Administration's direction, children have*
9 *been intentionally separated from their parents and held in*
10 *detention*, immigrants seeking asylum have been incarcerated,
11 and, more recently, allegations have emerged of numerous cases
12 involving federal officials' verbal, physical and sexual abuse of
13 migrant children within detention facilities.”

- 14 c. On March 6, 2019, Defendants republished the above statements
15 on Twitter by hyperlinking to their March 5, 2019 article:
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d. On September 30, 2019, Defendants published an article on the Forbes.com platform titled *GEO Group Runs Out of Banks as 100% of Banking Partners Say ‘No’ to the Private Prison Sector*, which stated: “All of the existing banking partners to private prison leader GEO Group have now officially committed to ending ties with the private prison and immigrant detention industry. These banks are JPMorgan Chase, Wells Fargo, Bank of America, SunTrust, BNP Paribas, Fifth Third Bancorp, Barclays, and PNC. This exodus comes in the wake of demands by grassroots activists—many under the banner of the

1 ***#FamiliesBelongTogether*** coalition—shareholders,
2 policymakers, and investors. Major banks supporting the
3 private prisons behind mass incarceration and immigrant
4 detention have now committed to not renew \$2.4B in credit lines
5 and term loans to industry giants GEO Group and ***CoreCivic***.
6 ... ***Given their business model depends on keeping a***
7 ***consistent and increasing number of people incarcerated, it's***
8 ***been speculated and critiqued that this is why GEO Group and***
9 ***CoreCivic have spent \$25M lobbying over the past three***
10 ***decades to push for harsher criminal justice and immigration***
11 ***laws.*** A cycle emerges when one follows the money: everyday
12 people put their money in banks, banks lend that money out to
13 the private prison industry, ***the private prison industry uses that***
14 ***financing for their day to day work including lobbying, which***
15 ***successfully funnels more detainees into their facilities,*** and
16 banks reap a payoff from their loans. Banks are only one piece
17 of the wider financial lives of private prison companies, which
18 include share ownership, bond underwriting, the purchase of
19 bonds, and others. Still, in the wake of reputational risk and
20 falling share prices, it is questionable at best if new partners will
21 take the leap to join GEO Group and ***CoreCivic*** in business and
22 fill their financing gaps. In addition to the
23 ***#FamiliesBelongTogether*** coalition representing over 100
24 million people nationwide, asset owners and managers of the
25 Interfaith Center on Corporate Responsibility and the
26 Confluence Philanthropy network, representing over \$2B in
27 AUM, added their voices to a public letter demanding that banks
28 stop financing the private prison industry. ... In the meantime,

1 there's speculation about what the remaining five banks—
2 Regions, Citizens, Pinnacle, First Tennessee, and Synovus—will
3 do about their ties to private prisons and immigrant detention.”

- 4 e. On October 10, 2019, Defendants published the following
5 statements by revising their March 5, 2019 article: “After years
6 of targeted actions by everyday activists and concerned
7 shareholders, JP Morgan Chase announced early this morning
8 that they will stop financing GEO Group and *CoreCivic—the*
9 *largest operators of private prisons and immigrant detention*
10 *centers in the U.S.* ... As explored in “[What Do Big Banks](#)
11 [Have to Do With Private Prisons](#),” GEO Group and CoreCivic
12 have a long history of profiting from mass incarceration: *they*
13 *make money when beds are filled, justly or unjustly. Together,*
14 *they've spent a combined \$25M on lobbying over the past three*
15 *decades. Disclosures show they've lobbied on a number of*
16 *bills related to funding for ICE enforcement over the years.*
17 *GEO Group and CoreCivic say that they don't lobby on*
18 *legislation or policies that would affect the basis for or length*
19 *of incarceration or detention, but according to the Justice*
20 *Policy Institute, both companies have served on task forces of*
21 *the American Legislative Exchange Council (ALEC), which*
22 *has written and promoted model legislation focused on*
23 *mandatory minimum sentences, three strikes laws, and “truth*
24 *in sentencing” legislation.* Interestingly, while only 10% of
25 prisons and jails nationwide are for-profit, a third of all
26 immigration detention centers are privately owned... receiving
27 over \$1B a year in contracts from ICE (almost \$5.5M a day of
28 taxpayer money). Since *news of family separation at the*

1 *southern border began shedding more light on the abuses*
2 *inside such private facilities*, activists across the country have
3 been paying careful attention to who actually enables private
4 prison companies in their day to day operations. In other words,
5 *they’ve been meticulously following the money story behind*
6 *the story – and found that brand-name banks like Chase,*
7 *Wells Fargo and Bank of America have provided billions in*
8 *financing to private prisons over the past decade.* Over the
9 past few years, there’s been a steady drumbeat of actions from
10 civil society addressing this relationship. ... Then in 2018,
11 *united under the hashtag #FamiliesBelongTogether, 80+*
12 *organizations*—from immigrant rights nonprofits to social
13 investing firms—*came together to form a corporate*
14 *accountability committee targeting big banks through both*
15 *insider conversations and consumer-facing strategies* (in full
16 disclosure, *the author’s firm Candide Group*, and its project
17 Real Money Moves, *are members of the committee*). ... On
18 February 14th, *Families Belong Together coalition members*
19 ... put this ethos into action with *protests at over 100 bank*
20 *branches, and over 150,000 petition signatures asking Chase*
21 *and Wells Fargo to break up with private prisons—or pledging*
22 *to break up with their banks instead.* ... *Clarification: This*
23 *article does not intend to suggest that CoreCivic or GEO*
24 *Group housed children separated from their parents pursuant*
25 *to the Trump family separation policy. CoreCivic has stated,*
26 *“CoreCivic does not and has never housed children separated*
27 *from their parents pursuant to the Trump family separation*
28 *policy.” ... While the terminology of “family separation”*

1 *tends to focus on the detention of children, I view the*
2 *phenomena of family separation as more broad (for instance,*
3 *inclusive of separating a grown adult from their aging parent,*
4 *or spouse from spouse, or a parent being incarcerated while*
5 *their child remains free, etc.). Family separation is thus*
6 *practiced in the context of both immigration and mass*
7 *incarceration, such that it is possible to participate in family*
8 *separation without participating in the housing of children.”*

9 f. On October 10-11, 2019, Defendants published the following
10 statements by revising their September 30, 2019 article on the
11 Forbes.com platform: ***“Given their business model depends on***
12 ***keeping a consistent and increasing number of people***
13 ***incarcerated, it’s been speculated and critiqued that this is why***
14 ***GEO Group and CoreCivic have spent \$25M lobbying over the***
15 ***past three decades.*** Disclosures show they’ve lobbied on a
16 number of bills related to funding for ICE enforcement over the
17 years. Both GEO Group and CoreCivic say that they don’t
18 lobby on legislation or policies that would affect the basis for or
19 length of incarceration or detention, but according to the Justice
20 Policy Institute, both companies have served on task forces of
21 the American Legislative Exchange Council (ALEC), which has
22 written and promoted model legislation focused on mandatory
23 minimums sentences [sic], three strikes laws, and “truth in
24 sentencing legislation.”

25 121. Defendants’ statements were intended to and did falsely convey
26 that CoreCivic operates immigrant detention facilities for children separated from
27 their parents at the border and that CoreCivic lobbies for harsher sentencing and
28 immigration laws.

1 122. Defendants’ accusations are reasonably understood to be statements
2 of fact about CoreCivic, and were understood by people who read them to be
3 statements of fact about CoreCivic.

4 123. Defendants’ statements are false. CoreCivic does not and has never
5 operated immigrant detention facilities for children separated from their parents at
6 the border. Those facilities are operated by the government or by other companies.
7 Under long-standing policy, CoreCivic does not lobby for harsher sentencing or
8 immigration laws.

9 124. Defendants’ statements are defamatory and libelous *per se*.
10 Defendants’ falsehoods have exposed CoreCivic to hatred and contempt. Indeed,
11 Defendants have boasted about the success they have had in causing the public to
12 shun and avoid the company and in driving up the cost of capital. Defendants’
13 statements were calculated to—and did in fact—provoke outrage and cause the
14 company reputational and financial damage, to Defendants’ financial benefit.

15 125. Defendants had no applicable privilege or legal authorization to
16 make these false and defamatory statements or, if they did, they abused it.

17 126. As set forth above in detail, Defendants published these statements
18 with actual malice, including by disregarding their first-hand knowledge,
19 purposefully avoiding or intentionally disregarding numerous publicly available
20 sources rebutting their false claims, purposefully avoiding contacting CoreCivic for
21 comment before publication, and—when specifically put on notice of the truth and
22 asked to retract—doubling down on and republishing their false accusations, all in
23 furtherance of their plan to enrich themselves at CoreCivic’s expense. Upon
24 information and belief, discovery will reveal additional evidence of Defendants’
25 actual malice, including their financial motivation to divert capital from CoreCivic
26 to the investment products from which they profit.

27 127. Defendants made these false and defamatory statements
28 intentionally, willfully, maliciously, and in conscious disregard of CoreCivic’s

1 rights and reputation and of the truth.

2 128. Defendants’ defamatory falsehoods have been repeated and
3 republished by numerous people, which was reasonably foreseeable to—and
4 specifically intended and expected by—Defendants.

5 129. As a direct and foreseeable result of Defendants’ false and
6 defamatory accusations, CoreCivic has suffered financial and reputational harm.

7 130. As a result of Defendants’ false and defamatory accusations,
8 CoreCivic has been forced to make an expenditure of money to remedy the
9 defamation.

10 131. In view of the forgoing, CoreCivic is entitled to actual, assumed,
11 punitive, and other damages in an amount to be specifically determined at trial.

12 **COUNT TWO – DEFAMATION BY IMPLICATION**

13 **(AGAINST ALL DEFENDANTS)**

14 132. Plaintiff repeats and re-alleges each of the foregoing paragraphs as
15 if set forth fully herein.

16 133. Defendants made a series of statements that were reasonably
17 capable of sustaining an incorrect and defamatory meaning about CoreCivic to a
18 worldwide internet audience on multiple occasions beginning on March 5, 2019.

19 134. Specifically, Defendants juxtaposed the following series of facts
20 and statements so as to imply a defamatory connection between them or otherwise
21 create a defamatory implication concerning CoreCivic:

22 135. On March 5, 2019, Defendants published an article on the
23 Forbes.com platform titled *JPMorgan Chase Is Done With Private Prisons*, which
24 states: “After years of targeted actions by everyday activists and concerned
25 shareholders, JP Morgan Chase announced early this morning that they will stop
26 financing GEO Group and *CoreCivic—the largest operators of private prisons and*
27 *immigrant detention centers in the U.S.* ... As explored in “[What Do Big Banks](#)
28 [Have to Do With Private Prisons](#),” GEO Group and CoreCivic have a long history

1 of profiting from mass incarceration: *they make money when beds are filled, justly*
2 *or unjustly, which is why they've spent \$25M on lobbying over the past three*
3 *decades to push for harsher criminal justice and immigration laws.* Interestingly,
4 while only 10% of prisons and jails nationwide are for-profit, a third of all
5 immigration detention centers are privately owned... receiving over \$1B a year in
6 contracts from ICE (almost \$5.5M a day of taxpayer money). Since *news of family*
7 *separation at the southern border began shedding more light on the abuses inside*
8 *such private facilities*, activists across the country have been paying careful
9 attention to who actually enables private prison companies in their day to day
10 operations. In other words, they've been meticulously following the money story
11 behind the story – and found that brand-name banks like Chase, Wells Fargo and
12 Bank of America have provided billions in financing to private prisons over the
13 past decade. Over the past few years, there's been a steady drumbeat of actions
14 from civil society addressing this relationship. ... Then in 2018, *united under the*
15 *hashtag #FamiliesBelongTogether, 80+ organizations*—from immigrant rights
16 nonprofits to social investing firms—*came together to form a corporate*
17 *accountability committee targeting big banks through both insider conversations*
18 *and consumer-facing strategies* (in full disclosure, the *author's firm Candide*
19 *Group*, and its project Real Money Moves, *are members of the committee*). ... On
20 February 14th, *Families Belong Together coalition members* ... put this ethos into
21 action with *protests at over 100 bank branches, and over 150,000 petition*
22 *signatures asking Chase and Wells Fargo to break up with private prisons—or*
23 *pledging to break up with their banks instead.*”

- 24 a. On March 5, 2019 and again on October 10, 2019, Defendants
25 republished their article titled What Do Big Banks Have To Do
26 With Family Detention? *#FamiliesBelongTogether* Explains on the
27 Forbes.com platform, by publishing a hyperlink to the article,
28 describing the article, and inviting readers to read it. The article

1 states: “The two largest private prison companies, *CoreCivic* and
2 GeoGroup, have over \$2BN a year in ICE contracts, *managing*
3 *some of the detention centers that have been at the heart of the*
4 *controversy over the separation of families and incarceration of*
5 *individuals for crossing the US border*. Most investors are
6 unlikely to have these two companies directly in their portfolio—
7 managed as REITS, they are majority-owned by the
8 funds Vanguard and Fidelity—but that means your portfolio may
9 still be connected to private prisons, and by extension, the family
10 detention crisis. More than 85 organizations ... have joined under a
11 coalition effort called *Families Belong Together* to urge Wells
12 Fargo and JP Morgan Chase to stop financing Geo Group and
13 *CoreCivic*. ... *Families Belong Together emerged in response to*
14 *the family detention crisis, starting with the recent separation of*
15 *families at the border which drew national attention to what has*
16 *been a long-standing issue. The coalition’s work is widespread,*
17 *given the depth of the crisis, from helping to reunite families to*
18 *seeking just and comprehensive immigration reform. There is*
19 *specifically a Corporate Accountability branch of the coalition*
20 *focused on addressing the role of *CoreCivic* and GEO Group, two*
21 *large for-profit prison corporations that hold contracts to operate*
22 *detention centers, and are profiting off the pain and separation of*
23 *families*. ... We ... have long worked on *family separation* and the
24 incarceration of our families at the border. ... *At the Trump*
25 *Administration’s direction, children have been intentionally*
26 *separated from their parents and held in detention,*
27 immigrants seeking asylum have been incarcerated, and, more
28 recently, allegations have emerged of numerous cases involving

1 federal officials' verbal, physical and sexual abuse of migrant
2 children within detention facilities.”

3 b. On March 6, 2019, Defendants republished the above statements on
4 Twitter by hyperlinking to their March 5, 2019 article:



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25 c. On September 30, 2019, Defendants published an article on the
26 Forbes.com platform titled *GEO Group Runs Out of Banks as*
27 *100% of Banking Partners Say 'No' to the Private Prison Sector,*
28 which stated: “All of the existing banking partners to private prison

1 leader GEO Group have now officially committed to ending ties
2 with the private prison and immigrant detention industry. These
3 banks are JPMorgan Chase, Wells Fargo, Bank of America,
4 SunTrust, BNP Paribas, Fifth Third Bancorp, Barclays, and PNC.
5 This exodus comes in the wake of demands by grassroots
6 activists—many under the banner of the *#FamiliesBelongTogether*
7 coalition—shareholders, policymakers, and investors. Major banks
8 supporting the private prisons behind mass incarceration and
9 immigrant detention have now committed to not renew \$2.4B in
10 credit lines and term loans to industry giants GEO Group and
11 *CoreCivic*. ... *Given their business model depends on keeping a*
12 *consistent and increasing number of people incarcerated, it's*
13 *been speculated and critiqued that this is why GEO Group and*
14 *CoreCivic have spent \$25M lobbying over the past three decades*
15 *to push for harsher criminal justice and immigration laws.* A
16 cycle emerges when one follows the money: everyday people put
17 their money in banks, banks lend that money out to the private
18 prison industry, *the private prison industry uses that financing for*
19 *their day to day work including lobbying, which successfully*
20 *funnels more detainees into their facilities*, and banks reap a
21 payoff from their loans. Banks are only one piece of the wider
22 financial lives of private prison companies, which include share
23 ownership, bond underwriting, the purchase of bonds, and others.
24 Still, in the wake of reputational risk and falling share prices, it is
25 questionable at best if new partners will take the leap to join GEO
26 Group and *CoreCivic* in business and fill their financing gaps. In
27 addition to the *#FamiliesBelongTogether* coalition representing
28 over 100 million people nationwide, asset owners and managers of

1 the Interfaith Center on Corporate Responsibility and the
2 Confluence Philanthropy network, representing over \$2B in AUM,
3 added their voices to a public letter demanding that banks stop
4 financing the private prison industry. ... In the meantime, there’s
5 speculation about what the remaining five banks—Regions,
6 Citizens, Pinnacle, First Tennessee, and Synovus—will do about
7 their ties to private prisons and immigrant detention.”

8 d. On October 10, 2019, Defendants published the following
9 statements by revising their March 5, 2019 article: “After years of
10 targeted actions by everyday activists and concerned shareholders,
11 JP Morgan Chase announced early this morning that they will stop
12 financing GEO Group and *CoreCivic—the largest operators of*
13 *private prisons and immigrant detention centers in the U.S.* ...
14 As explored in “[What Do Big Banks Have to Do With Private](#)
15 [Prisons](#),” GEO Group and CoreCivic have a long history of
16 profiting from mass incarceration: *they make money when beds are*
17 *filled, justly or unjustly. Together, they’ve spent a combined*
18 *\$25M on lobbying over the past three decades. Disclosures show*
19 *they’ve lobbied on a number of bills related to funding for ICE*
20 *enforcement over the years. GEO Group and CoreCivic say that*
21 *they don’t lobby on legislation or policies that would affect the*
22 *basis for or length of incarceration or detention, but according to*
23 *the Justice Policy Institute, both companies have served on task*
24 *forces of the American Legislative Exchange Council (ALEC),*
25 *which has written and promoted model legislation focused on*
26 *mandatory minimum sentences, three strikes laws, and “truth in*
27 *sentencing” legislation.* Interestingly, while only 10% of prisons
28 and jails nationwide are for-profit, a third of all immigration

1 detention centers are privately owned... receiving over \$1B a year
2 in contracts from ICE (almost \$5.5M a day of taxpayer money).
3 Since *news of family separation at the southern border began*
4 *shedding more light on the abuses inside such private facilities,*
5 activists across the country have been paying careful attention to
6 who actually enables private prison companies in their day to day
7 operations. In other words, *they've been meticulously following*
8 *the money story behind the story – and found that brand-name*
9 *banks like Chase, Wells Fargo and Bank of America have*
10 *provided billions in financing to private prisons over the past*
11 *decade.* Over the past few years, there's been a steady drumbeat of
12 actions from civil society addressing this relationship. ... Then in
13 2018, *united under the hashtag #FamiliesBelongTogether, 80+*
14 *organizations*—from immigrant rights nonprofits to social
15 investing firms—*came together to form a corporate accountability*
16 *committee targeting big banks through both insider conversations*
17 *and consumer-facing strategies* (in full disclosure, *the author's*
18 *firm Candide Group*, and its project Real Money Moves, *are*
19 *members of the committee*). ... On February 14th, *Families*
20 *Belong Together coalition members* ... put this ethos into action
21 with *protests at over 100 bank branches, and over 150,000*
22 *petition signatures asking Chase and Wells Fargo to break up*
23 *with private prisons—or pledging to break up with their banks*
24 *instead.* ... *Clarification: This article does not intend to suggest*
25 *that CoreCivic or GEO Group housed children separated from*
26 *their parents pursuant to the Trump family separation policy.*
27 *CoreCivic has stated, “CoreCivic does not and has never housed*
28 *children separated from their parents pursuant to the Trump*

1 *family separation policy.” ... While the terminology of “family*
2 *separation” tends to focus on the detention of children, I view the*
3 *phenomena of family separation as more broad (for instance,*
4 *inclusive of separating a grown adult from their aging parent, or*
5 *spouse from spouse, or a parent being incarcerated while their*
6 *child remains free, etc.). Family separation is thus practiced in*
7 *the context of both immigration and mass incarceration, such*
8 *that it is possible to participate in family separation without*
9 *participating in the housing of children.”*

- 10 e. On October 10-11, 2019, Defendants published the following
11 statements by revising their September 30, 2019 article on the
12 Forbes.com platform: ***“Given their business model depends on***
13 ***keeping a consistent and increasing number of people***
14 ***incarcerated, it’s been speculated and critiqued that this is why***
15 ***GEO Group and CoreCivic have spent \$25M lobbying over the***
16 ***past three decades.*** Disclosures show they’ve lobbied on a number
17 of bills related to funding for ICE enforcement over the years. Both
18 GEO Group and CoreCivic say that they don’t lobby on legislation
19 or policies that would affect the basis for or length of incarceration
20 or detention, but according to the Justice Policy Institute, both
21 companies have served on task forces of the American Legislative
22 Exchange Council (ALEC), which has written and promoted model
23 legislation focused on mandatory minimums sentences [sic], three
24 strikes laws, and “truth in sentencing legislation.”

25 136. Defendants’ statements were intended to and did falsely convey
26 that CoreCivic operates immigrant detention facilities for children separated from
27 their parents at the border and that CoreCivic lobbies for harsher sentencing and
28 immigration laws.

1 137. Defendants’ accusations and implications are reasonably
2 understood to be statements of fact about CoreCivic, and were understood by
3 people who read them to be statements of fact about CoreCivic.

4 138. Defendants juxtaposed a series of statements so as to create a false
5 implication. CoreCivic does not and has never operated immigrant detention
6 facilities for children separated from their parents at the border. Those facilities are
7 operated by the government or by other companies. Under long-standing policy,
8 CoreCivic does not lobby for harsher sentencing or immigration laws.

9 139. Defendants’ statements create an implication that is defamatory and
10 libelous *per se*. Defendants’ falsehoods have exposed CoreCivic to hatred and
11 contempt. Indeed, Defendants have boasted about the success they have had in
12 causing the public to shun and avoid the company and in driving up the cost of
13 capital. Defendants’ statements were calculated to—and did in fact—provoke
14 outrage and cause the company reputational and financial damage, to Defendants’
15 financial benefit.

16 140. Defendants had no applicable privilege or legal authorization to
17 create these false and defamatory implications or, if they did, they abused it.

18 141. As set forth above in detail, Defendants published these statements
19 with actual malice, including by disregarding their first-hand knowledge,
20 purposefully avoiding or intentionally disregarding numerous publicly available
21 sources rebutting their false claims, purposefully avoiding contacting CoreCivic for
22 comment before publication, and—when specifically put on notice of the truth and
23 asked to retract—doubling down on and republishing their false accusations, all in
24 furtherance of their plan to enrich themselves at CoreCivic’s expense. Upon
25 information and belief, discovery will reveal additional evidence of Defendants’
26 actual malice, including their financial motivation to divert capital from CoreCivic
27 to the investment products from which they profit.

28 142. Defendants juxtaposed these series of statements so as to imply a

1 defamatory connection between them or otherwise create a defamatory implication
2 and they did this intentionally, willfully, maliciously, and in conscious disregard of
3 CoreCivic's rights and reputation and of the truth.

4 143. Defendants' defamatory falsehoods have been repeated and
5 republished by numerous people, which was reasonably foreseeable to—and
6 specifically intended and expected by—Defendants.

7 144. As a direct and foreseeable result of Defendants' false and
8 defamatory implications, CoreCivic has suffered financial and reputational harm.

9 145. As a result of Defendants' false and defamatory implications,
10 CoreCivic has been forced to make an expenditure of money to remedy the
11 defamation.

12 146. In view of the forgoing, CoreCivic is entitled to actual, assumed,
13 punitive, and other damages in an amount to be specifically determined at trial.

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiff respectfully requests that the Court enter an award
16 in Plaintiff's favor, and against Defendants, as follows:

- 17 (1) awarding compensatory damages in an amount to be proven at
18 trial;
- 19 (2) awarding punitive damages in an amount to be determined at trial;
- 20 (3) awarding a narrowly-tailored order enjoining Defendants from
21 repeating their defamatory statements about CoreCivic;
- 22 (4) awarding a narrowly-tailored injunction compelling Defendants
23 to delete any posts adjudicated by this Court to be defamatory;

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- (5) awarding costs of the suit incurred herein; and
- (6) such other and further relief as the Court deems appropriate.

Dated: March 4, 2020

By: /s/ Michael B. McClellan

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