

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

THE GEO GROUP, Inc.)	
)	
Plaintiff,)	
)	
v.)	Case No. <u>CIV-23-1014-G</u>
)	
HINTON ECONOMIC)	
DEVELOPMENT AUTHORITY, a)	
Public Trust, and THE TOWN OF)	
HINTON, OKLAHOMA,)	
)	
Defendants.)	

COMPLAINT FOR DECLARATORY JUDGMENT

COMES NOW the Plaintiff, The GEO Group, Inc., (hereinafter “GEO Group”) by and through counsel of record, and hereby seeks a Declaratory Judgment pursuant to 28 U.S.C. §2201 *et seq.*, determining the rights and obligations of the parties under certain agreements as hereinafter fully set forth.

JURISDICTION AND VENUE

1. GEO Group is a corporation incorporated under the laws of the State of Florida, with its principle place of business in the State of Florida.
2. The Defendant, Hinton Economic Development Authority is a public trust created pursuant to a Trust Indenture dated June 29, 1987. The Hinton Economic Development Authority (hereinafter “HEDA”) is formed and operated under the laws of the State of Oklahoma with its principle situs of operations within

the State of Oklahoma. The beneficiary of the HEDA public trust is the Town of Hinton, Oklahoma (hereinafter “Hinton.”).

3. Hinton is a municipality formed and existing under the laws of the State of Oklahoma. Hinton is incorporated entirely within the State of Oklahoma.

4. This Court has original jurisdiction pursuant to 28 U.S.C. §1332, because the amount in controversy exceeds Seventy-five Thousand Dollars (\$75,000.00) exclusive of interest and costs and the action is between citizens of different states.

5. Venue is proper pursuant to 28 U.S.C. §1391(b)(1) and/or 1391(b)(2).

FACTS

6. HEDA is the owner of certain land and the Great Plains Correctional Facility located in Caddo County, Oklahoma (hereinafter known as the “Facility”).

7. On December 31, 1999, HEDA, with the Town of Hinton as its beneficiary, entered into a Lease Agreement with Cornell Corrections of Oklahoma, Inc. Under the terms of that Lease Agreement, Cornell Corrections of Oklahoma, Inc. leased the Facility from HEDA and agreed to pay an annual rental in arrears as set forth under the terms of the Lease Agreement.

8. GEO Group is the successor in interest to Cornell Corrections of Oklahoma, Inc., and is the present holder of all rights granted to Cornell Corrections of Oklahoma, Inc., under the terms of the Lease Agreement.

9. Section 9.01 of the Lease Agreement provides that the Lessee (now GEO Group) may “without restriction ... sublease the Leased Premises, or any part thereof,

to any Person, all without the necessity of giving notice to, or obtain the consent of, [HEDA].”

10. GEO Group has entered into an agreement with the Oklahoma Department of Corrections to allow the Oklahoma Department of Corrections to sublease the Facility from GEO Group as allowed under the terms of the Lease Agreement between HEDA and GEO Group.

11. GEO Group has timely paid all rents owed to HEDA under the terms of the Lease Agreement. GEO Group has fulfilled all of its obligations to HEDA under the terms of the Lease Agreement.

12. Effective March 1, 2000, HEDA and Cornell Corrections of Oklahoma, Inc. entered into an “Intergovernmental and Private Prison Contractor Agreement” (hereinafter “IPPCA”). Under the terms of the IPPCA, Hinton established the Facility as an adult medium security correctional facility to house inmates. Cornell Corrections of Oklahoma, Inc. was originally designated the private prison contractor to manage, maintain, and operate the Facility.

13. Under the terms of §4.1 of the IPPCA, Hinton and HEDA agreed to pay Cornell Corrections of Oklahoma, Inc. a base management fee in the amount set forth in the IPPCA. GEO Group is the successor in interest to Cornell Corrections of Oklahoma, Inc. and has acquired all right, title and interest of Cornell Corrections of Oklahoma, Inc. under the terms of the IPPCA.

14. The base management fee was premised upon the existence of a contract for housing of inmates with a “Jurisdiction” such as the Oklahoma Department of Corrections. The IPPCA, §4.1, states that this base management fee shall be an amount equal to the Inmate Contract’s per diem rate multiplied by the number of days inmates are housed at the Facility “less the amounts reserved to [HEDA]” under §4.3 of the IPPCA.

15. HEDA reserved out of the base management fee that was to be paid to GEO Group the sum of \$1.00 per day for each inmate housed in the Facility. Under the terms of the IPPCA, if the inmate contract per diem with the jurisdiction (such as the Oklahoma Department of Corrections), was raised above a certain amount, then the amount reserved by Hinton and/or HEDA would be increased up to a maximum reservation of \$1.25 per inmate day.

16. Any obligation of GEO Group to pay Hinton and/or HEDA the amounts allegedly reserved under §4.3 of the IPPCA was dependent upon the existence of an inmate housing contract with the Oklahoma Department of Corrections or some other governmental entity.

17. As allowed by the Lease Agreement existing between GEO Group and HEDA, GEO Group subleased Facility directly to the Oklahoma Department of Corrections. In 2023, the Oklahoma Department of Corrections began housing inmates at the Facility under the direct supervision and control of the Oklahoma Department of Corrections. GEO Group does not staff the Facility and does not serve

as a private prison contractor for the supervision of inmates at the Facility. Because there is no inmate contract existing between GEO Group, Hinton and/or HEDA and the Oklahoma Department of Corrections for the supervision and housing of inmates, there is no base management fee available to GEO Group under the IPPCA. Thus, HEDA and Hinton are not entitled to reserve any payments out of a base management fee. There simply is no “base management fee” under the current circumstances.

18. On May 18, 2023, HEDA and/or Hinton made demand upon GEO Group asserting that GEO Group owed HEDA a daily per diem rate of \$1.25 per inmate housed at the Facility. GEO Group responded, advising HEDA and Hinton that no such daily per diem rate is owed to HEDA and/or Hinton because GEO Group has subleased the Facility to the Oklahoma Department of Corrections and does not staff or operate the Facility. Because there is no Inmate Contract (as that term is defined in the IPCCCA) between the Oklahoma Department of Corrections and GEO Group or any of the Defendants and no corresponding “base management fee,” GEO Group has no obligation to make any payments of a per diem rate to the Defendants under the clear terms of the IPPCA. GEO Group’s only obligation is to continue to pay in arrears to HEDA the \$100,000 annual rent as set forth in the Lease Agreement.

19. HEDA and/or Hinton have continued to invoice GEO Group for a per diem rate of \$1.25 per prisoner housed at the Facility. The parties have failed to reach a resolution of this dispute. There is an ongoing and justiciable dispute between GEO Group and the Defendants regarding the financial obligations of GEO Group, if any, to

the Defendants under the terms of the IPPCA. GEO Group has no other adequate remedy by which this controversy may be resolved other than that which is requested by this Complaint for Declaratory Judgment.

REQUESTED RELIEF

WHEREFORE, GEO Group seeks a Declaratory Judgment that it has no obligation to make any payments to the Defendants under the terms of the IPPCA, and that GEO Group's obligations to the Defendants are limited to making rental payments that are owed under the existing Lease Agreement. GEO Group respectfully prays this Court enter judgment in its favor and against the Defendants as set forth above, and provide such other and further relief, as this Court may deem appropriate.

Respectfully submitted,

s/ Randall J. Wood
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Group, Inc.***

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS THE GEO GROUP, Inc.
(b) County of Residence of First Listed Plaintiff Palm Beach Co., FL
(c) Attorneys (Firm Name, Address, and Telephone Number)
Randall J. Wood, OBA 10531
Pierce Couch Hendrickson Baysinger & Green, LLP
1109 N. Francis Ave., Oklahoma City, OK 73106 405.235.1611

DEFENDANTS HINTON ECONOMIC DEVELOPMENT
AUTHORITY, a Public Trust, and THE TOWN OF HINTON, OKLAHOMA
County of Residence of First Listed Defendant Caddo Co., OK
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.
Attorneys (If Known)
Kimberlee T. Spady, 114 E. Main St., Hinton, OK 73047

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)
1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)
PTF DEF
Citizen of This State 1 1 Incorporated or Principal Place of Business In This State 4 X 4
Citizen of Another State 2 2 Incorporated and Principal Place of Business In Another State X 5 5
Citizen or Subject of a Foreign Country 3 3 Foreign Nation 6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)
CONTRACT: 110 Insurance, 120 Marine, 130 Miller Act, 140 Negotiable Instrument, 150 Recovery of Overpayment & Enforcement of Judgment, 151 Medicare Act, 152 Recovery of Defaulted Student Loans (Excludes Veterans), 153 Recovery of Overpayment of Veteran's Benefits, 160 Stockholders' Suits, X 190 Other Contract, 195 Contract Product Liability, 196 Franchise
TORTS: PERSONAL INJURY: 310 Airplane, 315 Airplane Product Liability, 320 Assault, Libel & Slander, 330 Federal Employers' Liability, 340 Marine, 345 Marine Product Liability, 350 Motor Vehicle, 355 Motor Vehicle Product Liability, 360 Other Personal Injury, 362 Personal Injury - Medical Malpractice
PERSONAL INJURY: 365 Personal Injury - Product Liability, 367 Health Care/Pharmaceutical Personal Injury Product Liability, 368 Asbestos Personal Injury Product Liability
PERSONAL PROPERTY: 370 Other Fraud, 371 Truth in Lending, 380 Other Personal Property Damage, 385 Property Damage Product Liability
FORFEITURE/PENALTY: 625 Drug Related Seizure of Property 21 USC 881, 690 Other
LABOR: 710 Fair Labor Standards Act, 720 Labor/Management Relations, 740 Railway Labor Act, 751 Family and Medical Leave Act, 790 Other Labor Litigation, 791 Employee Retirement Income Security Act
IMMIGRATION: 462 Naturalization Application, 465 Other Immigration Actions
BANKRUPTCY: 422 Appeal 28 USC 158, 423 Withdrawal 28 USC 157
PROPERTY RIGHTS: 820 Copyrights, 830 Patent, 835 Patent - Abbreviated New Drug Application, 840 Trademark
SOCIAL SECURITY: 861 HIA (1395ff), 862 Black Lung (923), 863 DIWC/DIWW (405(g)), 864 SSID Title XVI, 865 RSI (405(g))
FEDERAL TAX SUITS: 870 Taxes (U.S. Plaintiff or Defendant), 871 IRS—Third Party 26 USC 7609
OTHER STATUTES: 375 False Claims Act, 376 Qui Tam (31 USC 3729(a)), 400 State Reapportionment, 410 Antitrust, 430 Banks and Banking, 450 Commerce, 460 Deportation, 470 Racketeer Influenced and Corrupt Organizations, 480 Consumer Credit, 490 Cable/Sat TV, 850 Securities/Commodities/Exchange, 890 Other Statutory Actions, 891 Agricultural Acts, 893 Environmental Matters, 895 Freedom of Information Act, 896 Arbitration, 899 Administrative Procedure Act/Review or Appeal of Agency Decision, 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)
X 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District (specify)
6 Multidistrict Litigation - Transfer
8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION
Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Declaratory Judgment Action - 28 USC § 2201 et. seq; diversity 28 USC § 1332
Brief description of cause:
DECLARATORY JUDGMENT ACTION

VII. REQUESTED IN COMPLAINT:
CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$
CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions):
JUDGE DOCKET NUMBER

DATE 11.8.2023 SIGNATURE OF ATTORNEY OF RECORD s/ Randall J. Wood

FOR OFFICE USE ONLY
RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- Date and Attorney Signature.** Date and sign the civil cover sheet.