

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934.

For the transition period from to

COMMISSION FILE NUMBER 1-14260

WACKENHUT CORRECTIONS CORPORATION

(Exact name of registrant as specified in its charter)

Florida

65-0043078

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

4200 Wackenhut Drive #100, Palm Beach Gardens, Florida

33410-4243

(Address of principal executive offices)

(Zip code)

(561) 622-5656

(Registrant's telephone number, including area code)

Not Applicable

FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR, IF
CHANGED SINCE LAST REPORT.

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding twelve (12) months (or for such shorter period that the registrant
was required to file such report), and (2) has been subject to such filing
requirements for the past 90 days.

Yes No

At May 8, 2002, 21,163,420 shares of the registrant's Common Stock were issued
and outstanding.

WACKENHUT CORRECTIONS CORPORATION

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following consolidated financial statements of Wackenhut Corrections Corporation, a Florida corporation (the "Company"), have been prepared in accordance with the instructions to Form 10-Q and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with generally accepted accounting principles. Certain amounts in the prior year have been reclassified to conform to the current presentation. In the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial information for the interim periods reported have been made. Results of operations for the thirteen weeks ended March 31, 2002 are not necessarily indicative of the results for the entire fiscal year ending December 29, 2002.

WACKENHUT CORRECTIONS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN WEEKS ENDED
MARCH 31, 2002 AND APRIL 1, 2001
(IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2002	APRIL 1, 2001
Revenues	\$ 140,182	\$ 135,003
Operating expenses (including amounts related to The Wackenhut Corporation ("TWC") of \$5,927 and \$5,139)	123,664	124,070
Depreciation and amortization	2,485	2,457
Contribution from operations	14,033	8,476
G&A expense (including amounts related to TWC of \$760 and \$785)	8,115	5,933
Operating income	5,918	2,543
Interest income (including amounts related to TWC of \$1 and \$2)	258	457
Interest expense (including amounts related to TWC of \$(18) and \$(15))	(107)	(228)
Income before income taxes and equity in earnings of affiliates	6,069	2,772
Provision for income taxes	2,472	1,082
Income before equity in earnings of affiliates	3,597	1,690
Equity in earnings of affiliates, net of income tax provision of \$1,007 and \$628	1,586	942
Net income	\$ 5,183	\$ 2,632
Basic earnings per share:		
Net income	\$ 0.25	\$ 0.13
Basic weighted average shares outstanding	20,977	21,013
Diluted earnings per share:		
Net income	\$ 0.24	\$ 0.12
Diluted weighted average shares outstanding	21,276	21,173

The accompanying notes to consolidated financial statements are an integral part of these statements.

WACKENHUT CORRECTIONS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
MARCH 31, 2002 AND DECEMBER 30, 2001
(IN THOUSANDS EXCEPT SHARE DATA)
(UNAUDITED)

	MARCH 31, 2002	DECEMBER 30, 2001
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,254	\$ 46,099
Accounts receivable, less allowance for doubtful accounts of \$2,189 and \$2,557	75,562	79,002
Deferred income tax asset	5,977	6,041
Other	14,370	8,470
	-----	-----
Total current assets	140,163	139,612
Property and equipment, net	53,515	53,758
Investments in and advances to affiliates	17,683	15,328
Deferred income tax asset	--	716
Other	4,465	6,770
	-----	-----
	\$ 215,826	\$ 216,184
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 13,132	\$ 14,079
Accrued payroll and related taxes	13,851	13,318
Accrued expenses	33,745	41,573
Current portion of deferred revenue	2,712	2,755
	-----	-----
Total current liabilities	63,440	71,725
Deferred income tax liability	253	--
Deferred revenue	9,166	9,817
Other	5,711	4,281
	-----	-----
Commitments and contingencies (Note 6)		
Shareholders' equity:		
Preferred stock, \$.01 par value, 10,000,000 shares authorized	--	--
Common stock, \$.01 par value, 30,000,000 shares authorized, 20,977,224 shares issued and outstanding	210	210
Additional paid-in capital	61,157	61,157
Retained earnings	95,019	89,836
Accumulated other comprehensive loss	(19,130)	(20,842)
	-----	-----
Total shareholders' equity	137,256	130,361
	-----	-----
	\$ 215,826	\$ 216,184
	=====	=====

The accompanying notes to consolidated financial statements are an integral part of these balance sheets.

WACKENHUT CORRECTIONS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRTEEN WEEKS ENDED
MARCH 31, 2002 AND APRIL 1, 2001
(IN THOUSANDS)
(UNAUDITED)

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2002	APRIL 1, 2001
Cash flows from operating activities:		
Net income	\$ 5,183	\$ 2,632
Adjustments to reconcile net income to net cash used in operating activities--		
Depreciation and amortization	2,485	2,457
Deferred tax provision	1,033	210
Provision for bad debt expense	87	977
Equity in earnings of affiliates	(1,586)	(942)
Changes in assets and liabilities --		
(Increase) decrease in assets:		
Accounts receivable	3,736	(922)
Other current assets	(5,960)	(1,343)
Other assets	2,257	298
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(9,238)	(4,369)
Accrued payroll and related taxes	431	1,173
Deferred revenue	(694)	(921)
Other liabilities	1,430	--
Net cash used in operating activities	(836)	(750)
Cash flows from investing activities:		
Investments in affiliates	(768)	(115)
Repayments of investments in affiliates	--	1,685
Capital expenditures	(1,573)	(2,960)
Net cash used in investing activities	(2,341)	(1,390)
Cash flows from financing activities:		
Payments on debt	--	(5,000)
Advances from The Wackenhut Corporation	18,548	4,138
Repayments to The Wackenhut Corporation	(18,548)	(4,138)
Net cash used in financing activities	--	(5,000)
Effect of exchange rate changes on cash	1,332	(2,584)
Net decrease in cash	(1,845)	(9,724)
Cash, beginning of period	46,099	33,821
Cash, end of period	\$ 44,254	\$ 24,097
Supplemental disclosures:		
Cash paid for income taxes	\$ 62	\$ 118
Cash paid for interest	\$ 80	\$ 213

The accompanying notes to consolidated financial statements are an integral part of these statements.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed for quarterly financial reporting are the same as those disclosed in the Notes to Consolidated Financial Statements included in the Company's Form 10-K filed with the Securities and Exchange Commission on March 1, 2002 for the fiscal year ended December 30, 2001. Certain prior period amounts have been reclassified to conform with current period financial statement presentation.

2. DOMESTIC AND INTERNATIONAL OPERATIONS

A summary of domestic and international operations is presented below (dollars in thousands):

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2002	APRIL 1, 2001
REVENUES		
Domestic operations	\$111,861	\$110,702
International operations	28,321	24,301
	-----	-----
Total revenues	\$140,182	\$135,003
	=====	=====
OPERATING INCOME		
Domestic operations	\$ 5,721	\$ 1,278
International operations	197	1,265
	-----	-----
Total operating income	\$ 5,918	\$ 2,543
	=====	=====

	AS OF	
	MARCH 31, 2002	DECEMBER 30, 2001
LONG-LIVED ASSETS		
Domestic operations	\$47,259	\$47,639
International operations	6,256	6,119
	-----	-----
Total long-lived assets	\$53,515	\$53,758
	=====	=====

Long-lived assets consist of property and equipment.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2. DOMESTIC AND INTERNATIONAL OPERATIONS (CONTINUED)

The Company has affiliates (50% or less owned) that provide correctional detention facilities management, home monitoring and court escort services in the United Kingdom. The following table summarizes certain financial information pertaining to these unconsolidated foreign affiliates, on a combined basis (dollars in thousands).

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2002	APRIL 1, 2001
STATEMENT OF OPERATIONS DATA		
Revenues	\$ 45,551	\$ 32,969
Operating income	11,049	6,361
Net income	4,314	1,956
BALANCE SHEET DATA		
Current assets	\$ 91,741	\$ 65,226
Noncurrent assets	276,299	276,547
Current liabilities	37,541	30,205
Noncurrent liabilities	300,833	284,693
Stockholders' equity	29,666	26,875

The Company's equity affiliate in the United Kingdom has entered into interest rate swaps to fix the interest rate it receives on its variable rate credit facility. Management of the Company has determined the swaps to be effective cash flow hedges. Accordingly, the Company records its share of the affiliates change in other comprehensive income. The swaps approximated \$12.1 million and \$12.6 million at March 31, 2002 and December 30, 2001, respectively, and are reflected as a component of other comprehensive loss in the Company's financial statements.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2. DOMESTIC AND INTERNATIONAL OPERATIONS (CONTINUED)

During the later part of 2000, the Company began developing a correctional facility and preparing the facility for operation in South Africa through 50% owned foreign affiliates. In February 2002, the Company successfully opened the 3,024-bed maximum security correctional facility. The following table summarizes certain financial information pertaining to these unconsolidated foreign affiliates, on a combined basis (dollars in thousands).

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2002	APRIL 1, 2001
STATEMENT OF OPERATIONS DATA		
Revenues	\$ 791	\$ --
Operating loss	(1,148)	(166)
Net loss	(1,140)	(72)
BALANCE SHEET DATA		
Current assets	\$ 2,718	\$ 4,323
Noncurrent assets	37,022	21,530
Current liabilities	1,423	28
Noncurrent liabilities	36,689	19,336
Stockholders' equity	1,628	6,489

3. COMPREHENSIVE INCOME (LOSS)

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," establishes standards for reporting and display of comprehensive income and its components in financial statements. The components of the Company's comprehensive income (loss) are as follows (dollars in thousands):

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2002	APRIL 1, 2001
Net income	\$5,183	\$ 2,632
Foreign currency translation adjustments, net of income tax (expense) benefit of (\$786) and \$2,295, respectively	1,230	(3,443)
Cumulative effect of change in accounting principle related to affiliate's derivative instruments	--	(12,093)
Unrealized gain (loss) on affiliate's derivative instruments	482	(1,845)
	-----	-----
Comprehensive income (loss)	\$6,895	\$(14,749)
	=====	=====

WACKENHUT CORRECTIONS CORPORATION
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (UNAUDITED)

4. EARNINGS PER SHARE

The following table shows the amounts used in computing earnings per share (EPS) in accordance with Statement of Financial Accounting Standards No. 128 and the effects on income and the weighted average number of shares of potential dilutive common stock (in thousands except per share data).

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2002	APRIL 1, 2001
Net Income	\$ 5,183	\$ 2,632
Basic earnings per share:		
Weighted average shares		
Outstanding	20,977	21,013
	=====	=====
Per share amount	\$ 0.25	\$ 0.13
	=====	=====
Diluted earnings per share:		
Weighted average shares		
Outstanding	20,977	21,013
Effect of dilutive securities:		
Employee and director stock		
Options	299	160
	-----	-----
Weighted average shares		
assuming dilution	21,276	21,173
	=====	=====
Per share amount	\$ 0.24	\$ 0.12
	=====	=====

Options to purchase 476,600 shares of the Company's common stock, with exercise prices ranging from \$16.88 to \$26.88 per share and expiration dates between 2006 and 2009, were outstanding at March 31, 2002, but were not included in the computation of diluted EPS because their effect would be anti-dilutive if exercised. At April 1, 2001, options to purchase 889,500 shares of the Company's common stock, with exercise prices ranging from \$9.30 to \$26.88 and expiration dates between 2005 and 2011, were outstanding and also excluded from the computation of diluted EPS because their effect would be anti-dilutive if exercised.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

5. LONG-TERM DEBT

In December 1997, the Company entered into a five-year, \$30 million multi-currency revolving credit facility with a syndicate of banks, the proceeds of which may be used for working capital, acquisitions and general corporate purposes. The credit facility also includes a letter of credit facility of up to \$5 million for the issuance of standby letters of credit. Indebtedness under this facility bears interest at the alternate base rate (defined as the higher of prime rate or federal funds plus 0.5%) or LIBOR plus 150 to 250 basis points, depending upon fixed charge coverage ratios. The facility requires the Company to, among other things, maintain a maximum leverage ratio; minimum fixed charge coverage ratio; and a minimum tangible net worth. The facility also limits certain payments and distributions. At March 31, 2002, no amount was outstanding under this facility. This revolving credit facility expires December 18, 2002. The Company believes it will be able to renegotiate the facility, however no assurance of success can be provided. At March 31, 2002, the Company had five standby letters of credit in an aggregate amount of approximately \$0.2 million. Availability related to these instruments at March 31, 2002 was \$30 million.

At March 31, 2002, the Company had outstanding thirteen letters of guarantee totaling approximately \$10.7 million under separate international facilities.

6. COMMITMENTS AND CONTINGENCIES

FACILITY CONTRACTS

In December 2001, the Company was issued a notice of contract non-renewal for the Bayamon Correctional Facility by the Commonwealth of Puerto Rico Administration of Corrections. The contract was set to expire March 23, 2002, but was extended for an additional ninety days to June 23, 2002. The Company continues to meet with various government officials in an effort to renew the contract. However, there can be no assurance that these efforts will be successful. The Company does not expect the discontinuation of the management contract to have a significant adverse impact on the Company's future results of operations and cash flows. The Bayamon Correctional Facility is owned by the government and there is no lease commitment on the part of the Company.

On June 30, 2002, the Company's contract with the California Department of Corrections (the "Department") for the management of the 224-bed McFarland Community Corrections Center is due to expire. The Company believes that the Department may not renew this contract due to budgetary constraints. The Company is continuing its efforts to extend the current contract through discussions with the legislature and department officials, as well as offering the facility to other interested government agencies. There can be no assurances that these efforts will be successful. The facility is currently in the fourth year of a ten-year non-cancelable operating lease with Correctional Properties Trust ("CPT"). In the event the Company is unable to extend the contract or find an alternative use for the facility, the Company will be required to record an operating charge in 2002 related to future lease costs with CPT. The remaining lease obligation is approximately \$6 million through April 28, 2008.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

6. COMMITMENTS AND CONTINGENCIES (CONTINUED)

INSURANCE

Casualty insurance related to workers' compensation, general liability and automobile insurance coverage is provided through an independent insurer. A portion of this coverage is reinsured by an insurance subsidiary of The Wackenhut Corporation ("TWC"). Insurance rates are based on the Company's loss experience and are prospectively adjusted from time-to-time based on this loss experience.

The Company's insurance costs increased significantly during the third and fourth quarter of 2001 due to adverse claims experience. The Company has implemented a strategy to improve the management of future claims incurred by the Company but can provide no assurances that this strategy will result in lower insurance rates. Management believes these insurance costs have stabilized. However, the increases may continue through 2002. Management is exploring alternative insurance programs.

JENA FACILITY

In December 2001, the Company recorded an operating charge of \$3 million (\$1.8 million after tax) related to the lease of the 276-bed Jena Juvenile Justice Center in Jena, Louisiana (the "Facility"). The charge included expected costs under the lease through December 2002 based upon management's belief that a sale of the Facility would occur by December 29, 2002.

In April 2002, WCC and CPT entered into a Facility lease termination agreement whereby WCC agrees to indemnify CPT for certain costs arising from the sale of the Facility and the termination of the lease. The agreement with CPT includes a termination and make whole fee of approximately \$3.5 million in the event the State of Louisiana purchases the Jena Facility. As a result of this agreement, WCC recorded additional operating expenses relating to the Facility of approximately \$1 million during the first quarter of 2002.

In May 2002, the state of Louisiana and CPT entered into a tentative purchase and sale agreement (the "Agreement") for the Facility, subject to certain contingencies.

There can be no assurance that CPT will successfully complete a sale of the Facility prior to December 29, 2002. If CPT does not complete a sale of the Facility or WCC is unable to sublease or find an alternative correctional use for the Facility by such date, an additional charge related to the Facility will be required.

TWC MERGER WITH GROUP 4 FALCK

As disclosed in the Company's press release on May 9, 2002, TWC, the Company's former parent company, consummated its merger (the "Merger") on May 8, 2002 with a wholly owned subsidiary of Group 4 Falck A/S, a Danish multinational security and correctional services company. As a result of the Merger, Group 4 Falck has become the indirect beneficial owner of TWC's 57 percent interest in the Company. The Company's common stock will continue to trade on the New York Stock Exchange.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

6. COMMITMENTS AND CONTINGENCIES (CONTINUED)

TWC MERGER WITH GROUP 4 FALCK (CONTINUED)

As previously disclosed in filings with the SEC in connection with the Merger, the Company has entered into an agreement with TWC and Group 4 Falck aimed at ensuring that following the Merger: (1) the majority of the Company's board of directors will consist of independent directors; (2) neither TWC nor Group 4 Falck will engage in the business of managing or operating prisons, detention facilities or mental health facilities anywhere in the United States; and (3) representatives of TWC and Group 4 Falck will not have access to certain confidential and proprietary information of the Company, its subsidiaries or affiliates.

The Company believes that the various safeguards included in this agreement will help: (1) ensure the independence of the Company's board of directors; (2) preserve the Company's continued ability to compete freely and fairly with TWC and Group 4 Falck; and (3) protect certain confidential information of the Company from being disclosed to TWC and Group 4 Falck. The Company also believes that these safeguards will provide its current and future customers with adequate assurances that the Company's operations will be maintained independent from those of Global Solutions Limited, Group 4 Falck's correctional services business.

As previously disclosed, certain of the Company's international and domestic contracts require governmental consents to the merger. If, in the event the consents are not granted, the Company could be deemed in default of its contracts. The Company has received consents on all of its domestic contracts and believes it will receive consents on its Australian and South African contracts in the near future. In the United Kingdom, the merger has been reviewed by the Office of Fair Trade and has been referred to the Competition Commission for further investigation. In the event the United Kingdom government does not give its consent to the Merger, PCG's government contracts could be deemed to be in default.

The Company conducts most of its business in the United Kingdom through Premier Custodial Group Limited ("PCG"), a joint venture with Serco Limited ("Serco"). PCG currently manages six correctional facilities, one immigration detention center, two court escort contracts and two electronic monitoring services contracts.

The proposed Merger may affect the Company's interests in PCG and/or PCG's contract interests with the United Kingdom government. Serco has indicated that it believes the Merger provides Serco with a right to acquire the Company's 50% interest in PCG in the absence of Serco's consent to the Merger. The Company disputes the validity of the Preemption Clause. Group 4 Falck has agreed that in the event the Company is ordered by a court of competent jurisdiction to sell its interest in PCG to Serco under the terms of the disputed Preemptive Clause at a price below fair market value, Group 4 Falck will reimburse the Company for the amount by which the sale is below fair market value, up to a maximum of 10% of the fair market value of the interest.

The Company has taken steps to safeguard its interest in PCG as well as PCG's contract interests, but there can be no assurance that these steps will be sufficient to avoid a material adverse effect on the Company's business interests in the United Kingdom.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

6. COMMITMENTS AND CONTINGENCIES (CONTINUED)

EMPLOYMENT AGREEMENTS

The Merger between TWC and Group 4 Falck also triggers change in control provisions in three key executive's employment and retirement agreements. These provisions provide for a change in control payment equal to three times 2002 salary plus bonus along with acceleration of the retirement age from 60 to 55. The total obligation under the agreements is approximately \$17.8 million.

OPERATING LEASE CREDIT FACILITY

In December 1997, the Company entered into a \$220 million operating lease credit facility that was established to acquire and develop new correctional institutions used in its business. The Company unconditionally agreed to guarantee certain obligations of First Security Bank, National Association, a party to the aforementioned operating lease credit facility. As of March 31, 2002, approximately \$154.3 million of this operating lease credit facility was utilized for four properties in operation. In April 2002, the Company reduced its capacity under this operating lease credit facility to \$154.3 million.

The term of the operating lease credit facility expires December 18, 2002. The Company is exploring a number of alternatives to refinance the outstanding balance, and believes it will be successful in these efforts. However, there can be no assurance that the Company will be able to complete the refinancing prior to December 18, 2002.

Upon expiration of the operating lease credit facility, the Company may purchase the properties in the operating lease credit facility for their original acquisition cost. If the Company were to purchase the properties, the Company may use a number of forms of debt financing which would require the properties, and any related debt incurred to purchase the properties, to be reported on the Company's balance sheet. Alternatively, the Company may cause the properties to be sold to a third party. If the sales proceeds yield less than the original acquisition cost, the Company will make up the difference up to a maximum of 88% of the original acquisition cost.

INTERNATIONAL

In connection with the financing and management of one Australian facility, the Company's wholly owned Australian subsidiary was required to make an investment of approximately \$5 million. The balance of the facility was financed with long-term debt obligations, which are non-recourse to the Company. The subsidiary has a leasehold interest in the facility and does not have the ultimate rights of ownership. In the event the management contract is terminated for default the Company's investment of approximately \$5 million is at risk. The Company believes the risk of termination for default is remote and notes that the project has operated successfully for 5 years. The management contract is up for renewal in September 2002. Management believes the management contract will be renewed. If the management contract is not renewed (other than due to a default), the subsidiary's investment must be repaid by the state government.

WACKENHUT CORRECTIONS CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

Reference is made to Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001, filed with the Securities and Exchange Commission on March 1, 2002, for further discussion and analysis of information pertaining to the Company's results of operations, liquidity and capital resources.

FORWARD-LOOKING STATEMENTS: The management's discussion and analysis of financial condition and results of operations and the May 2, 2002 press release announcing earnings contain forward-looking statements that are based on current expectations, estimates and projections about the industry in which the Company operates. This section of the quarterly report also includes beliefs and assumptions made by management. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Future Factors include, but are not limited to, (1) the impact, if any, resulting from the merger of TWC, the Company's former majority shareholder and Group 4 Falck; (2) the Company's ability to timely open facilities as planned, profitably manage such facilities and successfully integrate such facilities into the Company without substantial costs; (3) the instability of foreign exchange rates, exposing the Company to currency risks in Australia, New Zealand, South Africa and the United Kingdom; (4) an increase in unreimbursed labor rates; (5) the Company's ability to expand correctional services and diversify its services in the mental health services market; (6) the Company's ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (7) the Company's ability to raise capital given the short-term nature of the customers' commitment to the use of the Company's facilities; (8) the Company's ability to sub-lease or coordinate the sale of the Jena, Louisiana Facility with Correctional Properties Trust ("CPT"); (9) the Company's ability to extend the McFarland Community Correctional Facility contract or find an alternative use for the facility; (10) the Company's ability to project the size and growth of the U.S. privatized corrections industry; (11) the Company's ability to estimate the government's level of dependency on privatization; (12) the Company's ability to create long-term earnings visibility; (13) the Company's ability to obtain future low-interest financing; (14) the Company's exposure to rising general liability and workers' compensation insurance costs; (15) the Company's ability to extend or refinance its operating lease facility expiring on December 18, 2002, and (16) other future factors including, but not limited to, increasing price and product/service competition by foreign and domestic competitors, including new entrants; rapid technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost effective basis; the mix of products/services; the achievement of lower costs and expenses; domestic and foreign governmental and public policy changes including

environmental regulations; protection and validity of patent and other intellectual property rights; reliance on large customers; technological, implementation and cost/financial risks in increasing use of large, multi-year contracts; the outcome of pending and future litigation and governmental proceedings and continued availability of financing; financial instruments and financial resources in the amounts, at the times and on the terms required to support the Company's future business and other factors contained in the Company's Securities and Exchange Commission filings, including the prospectus dated January 23, 1996, and its current Form 10-K, 10-Q and 8-K reports.

WACKENHUT CORRECTIONS CORPORATION

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal sources of liquidity are from operations, borrowings under its credit facilities, and sale of its right to acquire prison facilities. Cash and cash equivalents as of March 31, 2002 were \$44.3 million, a decrease of \$1.8 million from December 30, 2001.

Cash used in operating activities amounted to \$0.8 million in the thirteen weeks ended March 31, 2002 ("First Quarter 2002") versus cash used in operating activities of \$0.8 million in the thirteen weeks ended April 1, 2001 ("First Quarter 2001") primarily reflecting higher balances in other current assets and accounts payable and accrued expenses offset by higher net income.

Cash used in investing activities increased by \$1.0 million in the First Quarter 2002 as compared to First Quarter 2001. There were no repayments of investments in affiliates in the First Quarter 2002 as compared to the First Quarter 2001. This was offset by a decrease in capital expenditures.

There was no cash used in financing activities in the First Quarter 2002 as compared to cash used in financing activities of \$5.0 million in First Quarter 2001. The change was due to the payment of \$5.0 million of long-term debt in the First Quarter 2001.

Working capital increased from \$63.0 million at December 30, 2001 to \$76.7 million at March 31, 2002 primarily due to the increase in other current assets and decrease in accrued expenses.

One of the Company's sources of liquidity is a \$30 million multi-currency revolving credit facility, which includes \$5.0 million for the issuance of letters of credit. At March 31, 2002, there was no amount outstanding under this facility. This revolving credit facility expires December 18, 2002. In addition, at March 31, 2002 the Company had five letters of credit outstanding in an aggregate amount of approximately \$0.2 million. Availability related to these instruments at March 31, 2002 was \$30.0 million.

At March 31, 2002, the Company also had outstanding thirteen letters of guarantee totaling approximately \$10.7 million under separate international facilities.

In December 1997, the Company entered into a \$220 million operating lease credit facility that was established to acquire and develop new correctional institutions used in its business. The Company unconditionally agreed to guarantee certain obligations of First Security Bank, National Association, a party to the aforementioned operating lease credit facility. As of March 31, 2002, approximately \$154.3 million of this operating lease credit facility was utilized for four properties in operation. In April 2002, the Company reduced its capacity under this operating lease credit facility to \$154.3 million.

The term of the operating lease credit facility expires December 18, 2002. The Company is exploring a number of alternatives to refinance the outstanding balance, and believes it will be successful in these efforts. However, there can be no assurance that the Company will be able to complete the refinancing prior to December 18, 2002.

Upon expiration of the operating lease credit facility, the Company may purchase the properties in the operating lease credit facility for their original acquisition cost. If the Company were to purchase the properties, the Company may use a number of forms of debt financing which would require the properties, and any related debt incurred to purchase the properties, to be reported on the Company's balance sheet. Alternatively, the Company may cause the properties to be sold to a third party. If the sales proceeds yield less than the original acquisition cost, the Company will make up the difference up to a maximum of 88% of the original acquisition cost.

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In connection with the financing and management of one Australian facility, the Company's wholly owned Australian subsidiary was required to make an investment of approximately \$5 million. The balance of the facility was financed with long-term debt obligations, which are non-recourse to the Company. The subsidiary has a leasehold interest in the facility and does not have the ultimate rights of ownership. In the event the management contract is terminated for default the Company's investment of approximately \$5 million is at risk. The Company believes the risk of termination for default is remote and notes that the project has operated successfully for 5 years. The management contract is up for renewal in September 2002. Management believes the management contract will be renewed. If the management contract is not renewed (other than due to a default), the subsidiary's investment must be repaid by the state government.

The Company's access to capital and ability to compete for future capital intensive projects is dependent upon, among other things, its ability to renew its \$154.3 million operating lease credit facility and its \$30 million revolving credit facility at reasonable rates in 2002. A substantial decline in the Company's financial performance as a result of an increase in operational expenses relative to revenue or the Company's inability to renew the revolving credit facility and operating lease facility could limit the Company's access to capital.

TWC MERGER WITH GROUP 4 FALCK

As disclosed in the Company's press release on May 9, 2002, TWC, the Company's former parent company, consummated its merger (the "Merger") on May 8, 2002 with a wholly owned subsidiary of Group 4 Falck A/S, a Danish multinational security and correctional services company. As a result of the Merger, Group 4 Falck has become the indirect beneficial owner of TWC's 57 percent interest in the Company. The Company's common stock will continue to trade on the New York Stock Exchange.

As previously disclosed in filings with the SEC in connection with the Merger, the Company has entered into an agreement with TWC and Group 4 Falck aimed at ensuring that following the Merger: (1) the majority of the Company's board of directors will consist of independent directors; (2) neither TWC nor Group 4 Falck will engage in the business of managing or operating prisons, detention facilities or mental health facilities anywhere in the United States; and (3) representatives of TWC and Group 4 Falck will not have access to certain confidential and proprietary information of the Company, its subsidiaries or affiliates.

The Company believes that the various safeguards included in this agreement will help: (1) ensure the independence of the Company's board of directors; (2) preserve the Company's continued ability to compete freely and fairly with TWC and Group 4 Falck; and (3) protect certain confidential information of the Company from being disclosed to TWC and Group 4 Falck. The Company also believes that these safeguards will provide its current and future customers with adequate assurances that the Company's operations will be maintained independent from those of Global Solutions Limited, Group 4 Falck's correctional services business.

As previously disclosed, certain of the Company's international and domestic contracts require governmental consents to the merger. If, in the event the consents are not granted, the Company could be deemed in default of its contracts. The Company has received consents on all of its domestic contracts and believes it will receive consents on its Australian and South African contracts in the near future. In the United Kingdom, the merger has been reviewed by the Office of Fair Trade and has been referred to the Competition Commission for further investigation. In the event the United Kingdom government does not give its consent to the Merger, PCG's government contracts could be deemed to be in default.

The Company conducts most of its business in the United Kingdom through Premier Custodial Group Limited ("PCG"), a joint venture with Serco Limited ("Serco"). PCG currently manages six correctional

facilities, one immigration detention center, two court escort contracts and two electronic monitoring services contracts.

The proposed Merger may affect the Company's interests in PCG and/or PCG's contract interests with the United Kingdom government. Serco has indicated that it believes the Merger provides Serco with a right to acquire the Company's 50% interest in PCG in the absence of Serco's consent to the Merger. The Company disputes the validity of the Preemption Clause. Group 4 Falck has agreed that in the event the Company is ordered by a court of competent jurisdiction to sell its interest in PCG to Serco under the terms of the disputed Preemptive Clause at a price below fair market value, Group 4 Falck will reimburse the Company

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for the amount by which the sale is below fair market value, up to a maximum of 10% of the fair market value of the interest.

The Company has taken steps to safeguard its interest in PCG as well as PCG's contract interests, but there can be no assurance that these steps will be sufficient to avoid a material adverse effect on the Company's business interests in the United Kingdom.

EMPLOYMENT AGREEMENTS

The Merger between TWC and Group 4 Falck also triggers change in control provisions in three key executive's employment and retirement agreements. These provisions provide for a change in control payment equal to three times 2002 salary plus bonus along with acceleration of the retirement age from 60 to 55. The total obligation under the agreements is approximately \$17.8 million.

RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Company's consolidated financial statements and the notes thereto.

COMPARISON OF THIRTEEN WEEKS ENDED MARCH 31, 2002 AND THIRTEEN WEEKS ENDED APRIL 1, 2001

Revenues increased by 3.8% to \$140.2 million in the thirteen weeks ended March 31, 2002 from \$135.0 million in the thirteen weeks ended April 1, 2001. The increase in revenues is the result of new facility openings and increased compensated resident days at our Australian facilities offset by lower construction revenue and the closure of two facilities. Specifically, revenue increased approximately \$9.6 million in First Quarter 2002 compared to First Quarter 2001 due to increased compensated resident days resulting from the opening of two facilities in 2001 (Val Verde Correctional Facility, Del Rio, Texas in January 2001 and the Rivers Correctional Institution, Winton, North Carolina in March 2001) and an increase in compensated resident days at our Australian facilities. This increase was partially reduced by approximately \$3.9 million in the First Quarter 2002 compared to First Quarter 2001 due to less construction activity. Revenues also decreased by approximately \$3.3 million in First Quarter 2002 as compared to the same period in 2001 due to the expiration of our contracts with the Arkansas Board of Correction and Community Punishment. The balance of the increase in revenues was attributable to facilities open during all of both periods and increases in per diem rates.

The number of compensated resident days in domestic facilities decreased to 2,275,982 in First Quarter 2002 from 2,295,225 in First Quarter 2001. The average facility occupancy in domestic facilities was 97.4% of

capacity in First Quarter 2002 compared to 96.9% in First Quarter 2001. Compensated resident days in Australian facilities increased to 461,271 from 449,999 for the comparable periods.

Operating expenses decreased by 0.3% to \$123.7 million in First Quarter 2002 compared to \$124.1 million in First Quarter 2001. As a percentage of revenue, operating expenses decreased to 88.2% in First Quarter 2002 from 91.9% in the comparable period in 2001. First Quarter 2001 includes \$3.5 million in start-up costs related to the opening of the Val Verde, Texas and Winton, North Carolina facilities. Additionally, there are secondary factors contributing to the decrease including lower expenses related to construction activities and the expiration of the contracts with the Arkansas Board of Correction and Community Punishment. These decreases were partially offset by increases in general and comprehensive liability insurance premiums. The Company's insurance costs increased significantly during the third and fourth quarter of 2001 due to adverse

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claims experience. The Company has implemented a strategy to improve the management of future claims incurred by the Company but can provide no assurances that this strategy will result in a lower insurance rate. Management believes these insurance costs have stabilized. However, the increases may continue through 2002. Management is exploring alternative insurance programs.

Depreciation and amortization remained constant at \$2.5 million in First Quarter 2002 and First Quarter 2001. As a percentage of revenue, depreciation and amortization also remained constant at 1.8%.

Contribution from operations increased 65.6% to \$14.0 million in First Quarter 2002 from \$8.5 million in First Quarter 2001. As a percentage of revenue, contribution from operations increased to 10.0% in First Quarter 2002 from 6.3% in First Quarter 2001. This increase is primarily due to the activation of the new facilities, significantly improved financial performance at a number of existing facilities, the discontinuation of an unprofitable contract in Arkansas, decreased expense under the Company's operating lease facility and other factors as discussed above.

General and administrative expenses increased 36.8% to \$8.1 million in First Quarter 2002 from \$5.9 million in First Quarter 2001. As a percentage of revenue, general and administrative expenses increased to 5.8% in First Quarter 2002 from 4.4% in First Quarter 2001. The increase relates to increased deferred compensation costs for senior executive compensation agreements.

Operating income increased by 132.7% to \$5.9 million in First Quarter 2002 from \$2.5 million in First Quarter 2001. As a percentage of revenue, operating income increased to 4.2% in First Quarter 2002 from 1.9% in First Quarter 2001 due to start-up costs and the factors impacting contribution from operations and general and administrative expenses.

Interest income was \$0.3 million during First Quarter 2002 compared to \$0.5 million in First Quarter 2001 resulting from a decrease in invested cash and a reduction in interest earnings from subordinated debt.

Interest expense was \$0.1 million during First Quarter 2002 compared to \$0.2 million in First Quarter 2001.

Income before income taxes and equity in earnings of affiliates increased to \$6.1 million in First Quarter 2002 from \$2.8 million in First Quarter 2001 due to the factors described above.

Provision for income taxes increased to \$2.5 million in First Quarter 2002 from \$1.1 million in First Quarter 2001 due to higher taxable income.

Equity in earnings of affiliates, net of income tax provision, increased to \$1.6 million in First Quarter 2002 from \$0.9 million in First Quarter 2001 due the opening of the 800-bed Dovegate prison in the United Kingdom, which opened in July 2001, the opening of the 150-bed Dungavel House Immigration Detention

Centre, which opened in August 2001, offset by approximately \$1.0 million in start-up costs related to the 3,024-bed South African prison, which opened in February 2002.

Net income increased to \$5.2 million in First Quarter 2002 from \$2.6 million in First Quarter 2001 as a result of the factors described above.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to Item 7A, Part II of the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001, for discussion pertaining to the Company's exposure to certain market risks. There have been no material changes in the disclosure for the thirteen weeks ended March 31, 2002.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The nature of the Company's business results in claims or litigation against the Company for damages arising from the conduct of its employees or others. Except for litigation incidental to the business of the Company, there are no pending material legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject.

ITEM 2. CHANGES IN SECURITIES

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits -

- 10.15 Executive Employment Agreement, dated March 7, 2002, between the Company and Dr. George C. Zoley.
- 10.16 Executive Employment Agreement, dated March 7, 2002, between the Company and Wayne H. Calabrese.
- 10.17 Executive Employment Agreement, dated March 7, 2002, between the Company and John G. O'Rourke.
- 10.18 Executive Retirement Agreement, dated March 7, 2002, between the Company and Dr. George C. Zoley.
- 10.19 Executive Retirement Agreement, dated March 7, 2002, between the Company and Wayne H. Calabrese.

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED)

- 10.20 Executive Retirement Agreement, dated March 7, 2002, between the Company and John G. O'Rourke.
 - 10.21 Agreement, dated as of March 8, 2002, by and among Group 4 Falck A/S, Wackenhut Corrections Corporation and The Wackenhut Corporation (incorporated by reference to the Company's Form 8-K filed on March 8, 2002).
- (b)
2002. Reports on Form 8-K - The Company filed a Form 8-K, Item 5 on March 11, 2002.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WACKENHUT CORRECTIONS CORPORATION

May 15, 2002

Date

/s/ John G. O'Rourke

John G. O'Rourke
Senior Vice President - Finance, Chief Financial Officer and
Treasurer
(Principal Financial Officer)

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into effective the 7th day of March 2002 by and between Wackenhut Corrections Corporation ("Company" or "Company") and George C. Zoley ("Executive"), or collectively, "the Parties".

WHEREAS, Executive and Company have previously entered into an Executive Severance Agreement (the "Severance Agreement") and Wackenhut Corrections Corporation Retirement Agreement (the "Prior Retirement Agreement"), both effective May 4, 2001, whereby, INTER ALIA, the Executive is to receive certain payments and benefits upon a Change in Control (as defined in the Severance Agreement) and subsequent termination of Executive's employment by the Company within a one year period following the date of a Change in Control, or by the resignation of Executive following a date that is more than one year, but less than two years, following the date of a Change in Control; and

WHEREAS, The Wackenhut Corporation (TWC), a company listed on the New York Stock Exchange and majority owner of Company, and Group 4 Falck, a Danish company registered on the Copenhagen Exchange, have announced an intention to merge TWC with a subsidiary of Group 4 Falck, and the announced merger, if completed, will constitute a Change of Control under the terms of the Severance Agreement and the terms of this Agreement; and

WHEREAS, the Executive and Company wish to cancel and terminate the Severance Agreement and replace the Severance Agreement with this Agreement in order to facilitate the continued employment of Executive under restructured terms and conditions that will benefit the Company and better achieve the objectives of Executive and Company as further set forth herein in the event of a Change in Control (whether such Change in Control is the result of the announced intended merger of TWC with a subsidiary of Group 4 Falck, or in the event such announced merger is not consummated, as a result of a subsequent transaction constituting a Change in Control as defined below); and

WHEREAS, Executive is currently employed by Company in the capacity of Vice Chairman & CEO, and, in the event of a Change in Control (as defined below), Executive and Company desire to (1) continue the employment of Executive in such capacity on the terms and conditions set forth in this Agreement; (2) provide the Executive with a payment and other benefits related to a Change in Control of the Company in recognition of the Executive's contribution to the value of the Company and the Executive's willingness to cancel the Severance Agreement; and (3) enter into this Agreement with the Company that includes an extended non-competition provision; and

WHEREAS, Executive and Company are entering into an Executive Retirement Agreement (the "Retirement Agreement") contemporaneously with this Agreement; and

WHEREAS, the basic terms and conditions of this Agreement and the Retirement Agreement were reviewed and approved by the Board of Directors of WCC and the Nominating and

Compensation Committee members of the Board of Directors of WCC at a meeting held on the of March 7, 2002;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. POSITION AND DUTIES. Company hereby agrees to continue to employ Executive and Executive hereby accepts continued employment and agrees to continue to serve as Vice Chairman & CEO. Executive will perform all duties and responsibilities and will have all authority inherent in the position of Vice Chairman & CEO.

2. TERM OF AGREEMENT AND EMPLOYMENT. The term of this Agreement shall begin upon the date first set forth above and continue until the termination of Executive's employment with the Company for any reason. The term of Executive's employment under this Agreement will be for an initial period of two (2) years, beginning on the first day of the first month following a Change in Control (as defined in Section 3) (the "Commencement Date"), and terminating two years thereafter. The term of employment under this Agreement will be automatically extended by one day every day such that it has a continuous "rolling" two-year term, unless otherwise terminated pursuant to paragraph 7. TERMINATION. Prior to any Change in Control (as defined in Section 3) occurring, Executive shall continue to be employed in Executive's current capacity and be subject to the same terms and conditions of employment as exist immediately prior to the effective date of this Agreement.

3. DEFINITIONS.

A. CHANGE IN CONTROL. For purposes of this Agreement, a "Change in Control" shall be deemed to have occurred as of the day that any one or more of the following conditions shall have been satisfied:

(i) any "person" as such term is used in Section 12(d) and 14(d) of the Securities Exchange Act of 1934, (the "Exchange Act") (other than the Company, TWC or any trustee or other fiduciary holding securities under any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (or a successor by merger, consolidation or similar transaction, referred to in this Section as a "successor") representing a percentage of combined voting power of the Company's (or its successor's) then outstanding securities which is greater than the percentage of the combined voting power represented by securities of the Company (or its successor) then owned by TWC; provided, however, that for purposes of this clause (i), the percentage so owned by TWC shall not be treated as beneficially owned by any direct or indirect shareholder of TWC; and provided further, that the transfer of securities of the Company owned by TWC to any direct or indirect shareholders of TWC in connection with any one or more spin-offs, split-offs, split-ups, corporate distributions or similar transactions consummated as part of an integrated plan involving TWC's

direct or indirect shareholders (a "Restructuring Transaction") shall not be deemed to constitute a Change in Control; or

(ii) after consummation of a Restructuring Transaction, any person, as defined above (other than the Company, TWC or any trustee or other fiduciary holding securities under any employee benefit plan of the Company), is or becomes the beneficial owner, as defined above, directly or indirectly, of securities of the Company or its successor representing a majority of the combined voting power of the Company's (or its successor's) then outstanding securities; provided, however that the ownership of securities of the Company constituting such a majority by a person immediately after consummation of a Restructuring Transaction and by such person thereafter shall not constitute a Change in Control; and provided further, that the subsequent acquisition of securities by another person which causes such other person to own such a majority will constitute a Change in Control; or

(iii) the Company consummates (1) an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets except pursuant to a merger, consolidation or similar transaction involving the Company and a successor (as defined above) (said merger, consolidation or similar transaction shall be tested only pursuant to clause (i) above) or (2) a plan of complete liquidation of the Company, or

(iv) any "person," as such term is used in Section 13(d) and 14(d) of the Exchange Act (other than the Company, TWC, members of the TWC Controlling Shareholder Group, any trustee or other fiduciary holding securities under any employee benefit plan of the Company or TWC), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of TWC representing 30% or more of the combined voting power of TWC's then outstanding securities; or

(v) the shareholders of TWC approve a merger or consolidation of TWC with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of TWC outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 80% of the combined voting power of the voting securities of TWC or such surviving entity outstanding immediately after such merger or consolidation; or

(vi) TWC consummates (1) an agreement for the sale or disposition by TWC of all or substantially all of TWC's assets except pursuant to a merger, consolidation or similar transaction involving TWC where TWC is not the surviving entity (said merger, consolidation or similar transaction shall be tested only pursuant to clause (v) above) or (2) a plan of complete liquidation of TWC; or

(vii) the total combined voting power of TWC (or any successor entity) represented by shares of voting stock owned by members of the TWC Controlling Shareholder Group is reduced to 30% or less.

Notwithstanding the foregoing, in no event shall a Change in Control be deemed to have occurred with respect to the Executive if the Executive is part of a purchasing group that consummates a transaction causing a Change in Control. The Executive shall be deemed "part of a purchasing group" for purposes of the preceding sentence if the Executive is a direct or indirect equity participant in the purchasing company or group. Furthermore, the occurrence of any of the events listed in clauses (iv), (v), (vi) or (vii) above shall not constitute a Change in Control if they occur after consummation of a Restructuring Transaction.

The "TWC Controlling Shareholder Group" includes (i) George R. Wackenhut, (ii) the spouse and lineal descendants of George R. Wackenhut, (iii) any trust whose only beneficiaries are person described in the foregoing clauses (i) and (ii), and (iv) Affiliates of the persons described in the foregoing clauses (i), (ii) and (iii). An "Affiliate" of a person includes only a corporation, limited liability company, partnership, or similar entity where all of the voting securities or ownership interests of said entity are directly owned by such person. Unless otherwise defined, a "person" includes any natural person and any corporation, limited liability company, partnership, trust or other entity.

Once a Change in Control occurs after the execution of this Agreement, the subsequent occurrence of another event which is described above shall not be considered to be a Change in Control under this Agreement.

B. CHANGE IN CONTROL PAYMENT. For purposes of this Agreement, the "Change in Control Payment" shall mean an aggregate amount of money equal to the product of three (3) multiplied by the sum of the Executive's annual base salary as in effect at the time of the Commencement Date, plus the annual bonus the Executive received for calendar year 2001 (paid in 2002), together with any Equalization Payment paid in accordance with Section 3.B.(i). In the event that the Company does not pay the Change in Control Payment by the due dates specified in this Agreement, then any unpaid amount shall bear interest at the rate of 18 percent per annum, compounded monthly, until it is paid.

i. EQUALIZATION PAYMENTS. If any of the Change in Control Payment will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any similar tax that may hereafter be imposed), the Company shall pay to the Executive in cash additional amounts (the "Gross-Up Payments") such that the net amount retained by the Executive after deduction from the Change in Control Payment and the Gross-Up Payments of any Excise Tax imposed upon the Change in Control Payment and

any federal, state and local income tax and Excise Tax and any other tax imposed upon the Gross-Up Payments shall be equal to the original amount of the Change in Control Payment, prior to deduction of any Excise Tax imposed with respect to the Change in Control Payment. The Gross-Up Payments are intended to place the Executive in the same economic position he would have been in if the Excise Tax did not apply. The Gross-Up Payments shall be paid to the Executive at the earlier of the time that Change in Control Payments are paid to the Executive, or the time when any Excise Tax relating to said Change in Control Payments becomes due and payable. For purposes of determining the Gross-Up Payments pursuant to this Section 3.B.(i), the Change in Control Payment shall also include any other amounts which would be considered "Parachute Payments" (within the meaning of Section 280G(b)(2) of the Code) to the Executive, including, but not limited to, the value of any Executive Benefits and Retirement Payments made pursuant to the terms of the Retirement Agreement to the extent provided for by Code Section 280G and final, temporary or proposed regulations thereunder, and Gross-Up Payments relating to said amounts shall be paid to the Executive at the earlier of the time that said amounts are paid to the Executive, or the time when any Excise Tax relating to said amounts becomes due and payable.

ii. TAX RATES. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation in the calendar year in which the Gross-Up Payment is to be made, and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes.

iii. TAX CALCULATION. Simultaneously with the Company's payment of the Change in Control Payment, the Company shall deliver to the Executive a written statement specifying the total amount of the Change in Control Payment and the Gross-Up Payment, together with all supporting calculations. If the Executive disagrees with the Company's calculation of either of said payments, the Executive shall submit to the Company, no later than 30 days after receipt of the Company's calculations, a written notice advising the Company of the disagreement and setting forth his calculation of said payments. The Executive's failure to submit such notice within such period shall be conclusively deemed to be an agreement by the Executive as to the amount of the Change in Control Payment and the Gross-Up Payment. If the Company agrees with the Executive's calculations, it shall pay any shortfall to the Executive within 20 days after receipt of such a notice from the Executive, together with interest thereon accruing at the rate of 18 percent per annum, compounded monthly, from the original due date of the Change in Control Payment through the actual date of payment of said shortfall. If the Company does not agree with the Executive's calculations, it shall provide the Executive with a written notice within 20 days after the receipt of the Executive's calculations advising the Executive that the disagreement is to be

referred to an independent accounting firm for resolution. Such disagreement shall be referred to an independent "Big 5" accounting firm which is not the regular accounting firm of the Company and which is agreed to by the Company and the Executive within 10 days after issuance of the Company's notice of disagreement (if the Parties cannot agree on the identity of the accounting firm which is to resolve the dispute, the accounting firm shall be selected by means of a coin toss conducted in Palm Beach County, Florida by counsel to the Executive on the first business day after such 10 day period in such a manner as such counsel may specify). The accounting firm shall review all information provided to it by the Parties and submit a written report setting forth its calculation of the Change in Control Payment and the Gross-Up Payment within 15 days after submission of the matter to it, and such decision shall be final and binding on all of the Parties. The fees and expenses charged by said accounting firm shall be paid by the Company. If the amount of the Change in Control Payment or Gross-Up Payment actually paid by the Company was less than the amount calculated by the accounting firm, the Company shall pay the shortfall to the Executive within 5 days after the accounting firm submits its written report, together with interest thereon accruing at the rate of 18 percent per annum, compounded monthly, from the original due date of the Change in Control Payment through the actual date of payment of said shortfall.

iv. SUBSEQUENT RECALCULATION. In the event the Internal Revenue Service imposes an Excise Tax with respect to the Change in Control Payment that is greater than the Excise Tax calculated hereunder, the Company shall reimburse the Executive for the full amount necessary to make the Executive whole in accordance with the principles set forth above, including any interest and penalties which may be imposed.

C. GOOD REASON. Termination by Executive of his employment for "Good Reason" shall mean a termination by Executive upon:

(i) A material reduction in Executive's title or responsibilities;

(ii) Any reduction in Executive's base salary or annual bonus;

(iii) A diminution in the Executive's eligibility to participate in bonus, stock options, incentive awards and other compensation plans or a diminution in Executive Benefits (as defined below); or

(iv) A change in the location of Executive's principal place of employment by the Company of more than 50 miles from the location at which he was principally employed immediately prior to a Change in Control.

4. COMPENSATION.

(A) ANNUAL BASE SALARY. For all of the services rendered by Executive during the first year of the period of employment, Company will pay Executive a base salary at the rate of not less than \$632,500.00 per year, or such higher salary as may be in effect when a Change in Control (as defined in Section 3) occurs. The Company shall increase the annual base salary paid to Executive by applying a cost of living increase to be determined by the Board of Directors, such increase to be made effective the 1st day of January of each year of the employment term. However, under no circumstances shall the cost of living increase be less than 5% per annum. The annual base salary shall be payable at such regular times and intervals as the Company customarily pays its Executives from time to time.

(B) INCENTIVE BONUS. For each fiscal year of employment during which the Company employs the Executive, the Executive shall be entitled to receive a target bonus of 35% of Executive's then current annual salary plus a multiplier up to 50% in accordance with the executive bonus plan established by the Board of Directors for determining the Executive's annual bonus, such incentive bonus to be paid effective the 1st day of January of each year of the employment term.

5. EXECUTIVE BENEFITS. Executive will be entitled to four weeks of vacation per fiscal year. Executive will be eligible for and will participate in, without action by the Board of Directors of Company or any committee thereof, any additional benefits and perquisites available to executive officers of Company, including any group health, life insurance, disability, or other form of Executive benefit plan or program of Company now existing or that may be later adopted by Company. This includes the health, dental and life insurance programs Company provides currently to its executives.

6. PAYMENT OF CHANGE IN CONTROL PAYMENT. Beginning on the Commencement Date and continuing for twenty-four (24) consecutive months (unless otherwise terminated or accelerated under the terms of this Agreement), the Company shall pay one twenty-fourth (1/24th) of the Change in Control Payment (as defined and calculated above) to the Executive (or his Beneficiar(ies) or Estate). In addition, on the Commencement Date, the Company shall transfer all of its interest in any automobile used by the Executive pursuant to the Company's Executive Automobile Policy (the "Executive Automobile Policy") and shall pay the balance of any outstanding loans or leases on such automobile (whether such obligations are those of the Executive or the Company) so that the Executive owns the automobile outright (in the event such automobile is leased, the Company shall pay the residual cost of such lease).

7. DEATH OR DISABILITY. Executive's employment will terminate immediately upon Executive's death. If Executive become physically or mentally disabled so as to become unable for a period of more than five consecutive months or for shorter periods aggregating at least five months during any twelve month period to perform Executive's duties hereunder on a substantially full-time basis, Executive's employment will terminate as of the end of such five-month or twelve-month period and this shall be considered a "disability" under this Agreement. Such termination shall not affect Executive's benefits under Company's disability insurance program, if any, then in effect.

8. TERMINATION. Either the Executive or the Company may terminate this Agreement for any reason upon not less than ten (10) days written notice.

(A) TERMINATION OF EMPLOYMENT OTHER THAN BY RESIGNATION OF EXECUTIVE. Upon the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, the Executive shall be entitled to and paid six months' Annual Base Salary and target level Incentive Bonus as set forth in paragraph 3. COMPENSATION, based upon the then current salary level; provided that in the event the Executive's employment is terminated for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason prior to full payment of the Change in Control Payment, the Company shall also pay to the Executive any remaining unpaid Change in Control Payment that the Executive would have otherwise been paid had Executive continued employment with the Company.

Further, upon the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, Company shall continue to provide the Executive (and if applicable, his beneficiaries) with the Executive Benefits (as described in Section 5), at no cost to the Executive in no less than the same amount and, on the same terms and conditions as in effect on the date on which the Change of Control occurs for a period of 3 years after the date of termination of the Executive's employment with the Company, or, alternatively, if the Executive (or his estate) elects at any time in a written notice delivered to the Company to waive any particular Executive Benefits, the Company shall make a cash payment to the Executive within ten days after receipt of such election in an amount equal to the present value of the Company's cost of providing such Executive Benefits from the date of such election to the end of the foregoing 3-year period, and such present value shall be determined by reference to the Company's then-current cost levels and a discount rate equal to 120 percent of the short-term applicable Federal rate provided for in Section 1274(d) of the Internal Revenue Code (the "Code") for the month in which the Change in Control occurs. In addition, the Company shall pay to the Executive, within 10 days after said termination, an amount equal to the sum of (a) the dollar value of vacation time that would have been credited to the Executive pursuant to the Company's Vacation Policy (the "Vacation Policy") if the Executive had remained employed by the Company through the "Anniversary Date" (as defined in the Vacation Policy) immediately following his termination of employment, multiplied by a fraction, the numerator of which is the number of days which elapsed from the Executive's Anniversary Date immediately preceding the date of termination through the date of such termination, and the denominator of which is 365, plus (b) the dollar value of vacation time which the Executive was entitled to have taken immediately prior to the Executive's termination, which was not in fact taken by the Executive; the dollar value of vacation time referred to above shall be equal to the amount which would have been paid to the Executive by the Company during such vacation time had the

vacation time in fact been taken by the Executive immediately prior to the Executive's termination. If the Executive dies during the 3-year period following the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, the Company shall provide the Executive Benefits, to the extent applicable, to the Executive's estate, or make any applicable cash payments in lieu thereof to said estate. The Executive shall be deemed to be employed by the Company if the Executive is employed by the Company or any subsidiary of the Company in which the Company owns a majority of the subsidiary's voting securities. Notwithstanding anything else in the Agreement to the contrary, subsequent reemployment of the Executive by the Company or any successor of the Company following a Change in Control will not cause the Executive to forfeit any compensation or benefits provided in this Agreement.

(B) TERMINATION OF EMPLOYMENT BY RESIGNATION OF EXECUTIVE. Upon the termination of this Agreement by the resignation of the Executive without Good Reason, the Executive shall be due no further compensation related to annual salary, incentive bonus, Executive Benefits, or Change in Control Payment than what is due and owing through the effective date of Executive's resignation. Termination of this Agreement by the resignation of the Executive shall not affect Executive's rights under the Retirement Agreement.

9. NON-COMPETITION: CONFIDENTIALITY.

(A) NON-COMPETITION. During the period of Executive's employment with Company and until two years after the termination of Executive's employment, Executive will not, directly or indirectly, on Executive's own behalf or as a partner, officer, director, trustee, Executive, agent, consultant or member of any person, firm or corporation, or otherwise, enter into the employ of, render any service to, or engage in any business or activity which is the same as or competitive with any business or activity conducted by Company or any of its majority owned subsidiaries; provided, however, that the foregoing shall not be deemed to prevent the Executive from investing in securities of any company having a class of securities which is publicly traded, so long as through such investment holdings in the aggregate, the Executive is not deemed to be the beneficial owner of more than 5% of the class of securities that are so publicly traded. During the period of Executive's employment and until three years after the termination of Executive's employment, Executive will not, directly or indirectly, on Executive's own behalf or as a partner, shareholder, officer, Executive, director, trustee, agent, consultant or member of any person, firm or corporation or otherwise, seek to employ or otherwise seek the services of any Executive of Company or any of its majority owned subsidiaries.

(B) CONFIDENTIALITY. During and following the period of Executive's employment with Company, Executive will not use for Executive's own benefit or for the benefit of others, or divulge to others, any information, trade secrets, knowledge or data of secret or confidential nature and otherwise not available to members of the general public that

concerns the business or affairs of Company or its affiliates and which was acquired by Executive at any time prior to or during the term of Executive's employment with Company, except with the specific prior written consent of Company.

(C) WORK PRODUCT. Executive agree that all programs, inventions, innovations, improvements, developments, methods, designs, analyses, reports and all similar or related information which relate to the business of Company and its affiliates, actual or anticipated, or to any actual or anticipated research and development conducted in connection with the business of Company and its affiliates, and all existing or future products or services, which are conceived, developed or made by Executive (alone or with others) during the term of this Agreement ("Work Product") belong to Company. Executive will cooperate fully in the establishment and maintenance of all rights of Company and its affiliates in such Work Product. The provisions of this Section 9(C) will survive termination of this Agreement indefinitely to the extent necessary to require actions to be taken by Executive after the termination of the Agreement with respect to Work Product created during the Agreement.

(D) ENFORCEMENT. If any covenant or agreement contained in this Section 9 is found by a court having jurisdiction to be unreasonable in duration, geographical scope or character of restriction, the covenant or agreement will not be rendered unenforceable thereby but rather the duration, geographical scope or character of restriction of such covenant or agreement will be reduced or modified with retroactive effect to make such covenant or agreement reasonable, and such covenant or agreement will be enforced as so modified.

10. REPRESENTATIONS. Executive hereby represents and warrants to Company that (i) the execution, delivery and full performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject; (ii) Executive is not a party or bound by any employment agreement, consulting agreement, agreement not to compete, confidentiality agreement or similar agreement with any other person or entity; and (iii) upon the execution and delivery of this Agreement by Company, this Agreement will be Executive's valid and binding obligation, enforceable in accordance with its terms.

11. ARBITRATION. In the event of any dispute between Company and Executive with respect to this Agreement, either party may, in its sole discretion by notice to the other, require such dispute to be submitted to arbitration. The arbitrator will be selected by agreement of the Parties or, if they cannot agree on arbitrator or arbitrators within 30 days after the giving of such notice, the arbitrator will be selected by the American Arbitration Association. The determination reached in such arbitration will be final and binding on both Parties without any right of appeal. Execution of the determination by such arbitrator may be sought in any court having jurisdiction. Unless otherwise agreed by the Parties, any such arbitration will take place in West Palm Beach, Florida and will be conducted in accordance with the rules of the American Arbitration Association. If the Executive is the prevailing party in any such arbitration, he will be entitled to reimbursement by Company of all reasonable costs and expenses (including attorneys' fees incurred in such arbitration).

12. ASSIGNMENT. Executive may not assign, transfer, convey, mortgage, hypothecate, pledge or in any way encumber the compensation or other benefits payable to Executive or any rights which Executive may have under this Agreement. Neither Executive nor Executive's beneficiary or beneficiaries will have any right to receive any compensation or other benefits under this Agreement, except at the time, in the amounts and in the manner provided in this Agreement. This Agreement will inure to the benefit of and will be binding upon any successor to Company. As used in this Agreement, the term "successor" means any person, firm, corporation or other business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the capital stock or assets of Company. This Agreement may not be otherwise assigned by Company.

13. GOVERNING LAW. This Agreement shall be governed by the laws of Florida without regard to the application of conflicts of laws.

14. ENTIRE AGREEMENT. This Agreement and the Executive Retirement Agreement constitute the only agreements between Company and Executive regarding Executive's employment by Company. This Agreement and the Executive Retirement Agreement supersede any and all other agreements and understandings, written or oral, between Company and Executive. A waiver by either party of any provision of this Agreement or any breach of such provision in an instance will not be deemed or construed to be a waiver of such provision for the future, or of any subsequent breach of such provision. This Agreement may be amended, modified or changed only by further written agreement between Company and Executive, duly executed by both Parties.

15. NOTICES. Any and all notices required or permitted to be given hereunder will be in writing and will be deemed to have been given when deposited in United States mail, certified or registered mail, postage prepaid. Any notice to be given by Executive hereunder will be addressed to Company to the attention of its General Counsel at its main offices, 4200 Wackenhut Drive, Palm Beach Gardens, Florida 33410. Any notice to be given to Executive will be addressed to Executive at Executive's residence address last provided by Executive to Company. Either party may change the address to which notices are to be addressed by notice in writing to the other party given in accordance with the terms of this Section.

16. HEADINGS. Section headings are for convenience of reference only and shall not limit or otherwise affect the meaning or interpretation of this Agreement or any of its terms and conditions.

17. CANCELLATION OF EXECUTIVE SEVERANCE AGREEMENT DATED MAY 4, 2001. The Executive Severance Agreement entered into by and between Executive and Company on May 4, 2001, is hereby cancelled and terminated as of the date of execution of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement under seal as of the date first above written.

WACKENHUT CORRECTIONS CORPORATION

By: /s/ George R. Wackenhut

George R. Wackenhut
Chairman

EXECUTIVE

By: /s/ George C. Zoley

George C. Zoley
Vice Chairman & CEO

Approved by a majority of the members of the Company Nominating & Compensation Committee at a duly convened meeting of that committee held on the 7th day of March 2002.

/s/ Benjamin R. Civiletti

Mr. Benjamin R. Civiletti, Chairman

/s/ Richard H. Glanton

Mr. Richard H. Glanton, Member

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into effective the 7th day of March 2002 by and between Wackenhut Corrections Corporation ("Company" or "Company") and Wayne H. Calabrese ("Executive"), or collectively, "the Parties".

WHEREAS, Executive and Company have previously entered into an Executive Severance Agreement (the "Severance Agreement") and Wackenhut Corrections Corporation Retirement Agreement (the "Prior Retirement Agreement"), both effective May 4, 2001, whereby, INTER ALIA, the Executive is to receive certain payments and benefits upon a Change in Control (as defined in the Severance Agreement) and subsequent termination of Executive's employment by the Company within a one year period following the date of a Change in Control, or by the resignation of Executive following a date that is more than one year, but less than two years, following the date of a Change in Control; and

WHEREAS, The Wackenhut Corporation (TWC), a company listed on the New York Stock Exchange and majority owner of Company, and Group 4 Falck, a Danish company registered on the Copenhagen Exchange, have announced an intention to merge TWC with a subsidiary of Group 4 Falck, and the announced merger, if completed, will constitute a Change of Control under the terms of the Severance Agreement and the terms of this Agreement; and

WHEREAS, the Executive and Company wish to cancel and terminate the Severance Agreement and replace the Severance Agreement with this Agreement in order to facilitate the continued employment of Executive under restructured terms and conditions that will benefit the Company and better achieve the objectives of Executive and Company as further set forth herein in the event of a Change in Control (whether such Change in Control is the result of the announced intended merger of TWC with a subsidiary of Group 4 Falck, or in the event such announced merger is not consummated, as a result of a subsequent transaction constituting a Change in Control as defined below); and

WHEREAS, Executive is currently employed by Company in the capacity of President & Chief Operating Officer, and, in the event of a Change in Control (as defined below), Executive and Company desire to (1) continue the employment of Executive in such capacity on the terms and conditions set forth in this Agreement; (2) provide the Executive with a payment and other benefits related to a Change in Control of the Company in recognition of the Executive's contribution to the value of the Company and the Executive's willingness to cancel the Severance Agreement; and (3) enter into this Agreement with the Company that includes an extended non-competition provision; and

WHEREAS, Executive and Company are entering into an Executive Retirement Agreement (the "Retirement Agreement") contemporaneously with this Agreement; and

WHEREAS, the basic terms and conditions of this Agreement and the Retirement Agreement were reviewed and approved by the Board of Directors of WCC and the Nominating and

Compensation Committee members of the Board of Directors of WCC at a meeting held on the of March 7, 2002;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. POSITION AND DUTIES. Company hereby agrees to continue to employ Executive and Executive hereby accepts continued employment and agrees to continue to serve as President & Chief Operating Officer. Executive will perform all duties and responsibilities and will have all authority inherent in the position of President & Chief Operating Officer.

2. TERM OF AGREEMENT AND EMPLOYMENT. The term of this Agreement shall begin upon the date first set forth above and continue until the termination of Executive's employment with the Company for any reason. The term of Executive's employment under this Agreement will be for an initial period of two (2) years, beginning on the first day of the first month following a Change in Control (as defined in Section 3) (the "Commencement Date"), and terminating two years thereafter. The term of employment under this Agreement will be automatically extended by one day every day such that it has a continuous "rolling" two-year term, unless otherwise terminated pursuant to paragraph 7. TERMINATION. Prior to any Change in Control (as defined in Section 3) occurring, Executive shall continue to be employed in Executive's current capacity and be subject to the same terms and conditions of employment as exist immediately prior to the effective date of this Agreement.

3. DEFINITIONS.

A. CHANGE IN CONTROL. For purposes of this Agreement, a "Change in Control" shall be deemed to have occurred as of the day that any one or more of the following conditions shall have been satisfied:

(i) any "person" as such term is used in Section 12(d) and 14(d) of the Securities Exchange Act of 1934, (the "Exchange Act") (other than the Company, TWC or any trustee or other fiduciary holding securities under any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (or a successor by merger, consolidation or similar transaction, referred to in this Section as a "successor") representing a percentage of combined voting power of the Company's (or its successor's) then outstanding securities which is greater than the percentage of the combined voting power represented by securities of the Company (or its successor) then owned by TWC; provided, however, that for purposes of this clause (i), the percentage so owned by TWC shall not be treated as beneficially owned by any direct or indirect shareholder of TWC; and provided further, that the transfer of securities of the Company owned by TWC to any direct or indirect shareholders of TWC in connection with any one or more spin-offs, split-offs, split-ups, corporate distributions or similar transactions consummated as part of an integrated plan involving TWC's direct or

indirect shareholders (a "Restructuring Transaction") shall not be deemed to constitute a Change in Control; or

(ii) after consummation of a Restructuring Transaction, any person, as defined above (other than the Company, TWC or any trustee or other fiduciary holding securities under any employee benefit plan of the Company), is or becomes the beneficial owner, as defined above, directly or indirectly, of securities of the Company or its successor representing a majority of the combined voting power of the Company's (or its successor's) then outstanding securities; provided, however that the ownership of securities of the Company constituting such a majority by a person immediately after consummation of a Restructuring Transaction and by such person thereafter shall not constitute a Change in Control; and provided further, that the subsequent acquisition of securities by another person which causes such other person to own such a majority will constitute a Change in Control; or

(iii) the Company consummates (1) an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets except pursuant to a merger, consolidation or similar transaction involving the Company and a successor (as defined above) (said merger, consolidation or similar transaction shall be tested only pursuant to clause (i) above) or (2) a plan of complete liquidation of the Company, or

(iv) any "person," as such term is used in Section 13(d) and 14(d) of the Exchange Act (other than the Company, TWC, members of the TWC Controlling Shareholder Group, any trustee or other fiduciary holding securities under any employee benefit plan of the Company or TWC), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of TWC representing 30% or more of the combined voting power of TWC's then outstanding securities; or

(v) the shareholders of TWC approve a merger or consolidation of TWC with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of TWC outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 80% of the combined voting power of the voting securities of TWC or such surviving entity outstanding immediately after such merger or consolidation; or

(vi) TWC consummates (1) an agreement for the sale or disposition by TWC of all or substantially all of TWC's assets except pursuant to a merger, consolidation or similar transaction involving TWC where TWC is not the surviving entity (said merger, consolidation or similar transaction shall be tested only pursuant to clause (v) above) or (2) a plan of complete liquidation of TWC; or

(vii) the total combined voting power of TWC (or any successor entity) represented by shares of voting stock owned by members of the TWC Controlling Shareholder Group is reduced to 30% or less.

Notwithstanding the foregoing, in no event shall a Change in Control be deemed to have occurred with respect to the Executive if the Executive is part of a purchasing group that consummates a transaction causing a Change in Control. The Executive shall be deemed "part of a purchasing group" for purposes of the preceding sentence if the Executive is a direct or indirect equity participant in the purchasing company or group. Furthermore, the occurrence of any of the events listed in clauses (iv), (v), (vi) or (vii) above shall not constitute a Change in Control if they occur after consummation of a Restructuring Transaction.

The "TWC Controlling Shareholder Group" includes (i) George R. Wackenhut, (ii) the spouse and lineal descendants of George R. Wackenhut, (iii) any trust whose only beneficiaries are person described in the foregoing clauses (i) and (ii), and (iv) Affiliates of the persons described in the foregoing clauses (i), (ii) and (iii). An "Affiliate" of a person includes only a corporation, limited liability company, partnership, or similar entity where all of the voting securities or ownership interests of said entity are directly owned by such person. Unless otherwise defined, a "person" includes any natural person and any corporation, limited liability company, partnership, trust or other entity.

Once a Change in Control occurs after the execution of this Agreement, the subsequent occurrence of another event which is described above shall not be considered to be a Change in Control under this Agreement.

B. CHANGE IN CONTROL PAYMENT. For purposes of this Agreement, the "Change in Control Payment" shall mean an aggregate amount of money equal to the product of three (3) multiplied by the sum of the Executive's annual base salary as in effect at the time of the Commencement Date, plus the annual bonus the Executive received for calendar year 2001 (paid in 2002), together with any Equalization Payment paid in accordance with Section 3.B.(i). In the event that the Company does not pay the Change in Control Payment by the due dates specified in this Agreement, then any unpaid amount shall bear interest at the rate of 18 percent per annum, compounded monthly, until it is paid.

i. EQUALIZATION PAYMENTS. If any of the Change in Control Payment will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any similar tax that may hereafter be imposed), the Company shall pay to the Executive in cash additional amounts (the "Gross-Up Payments") such that the net amount retained by the Executive after deduction from the Change in Control Payment and the Gross-Up Payments of any Excise Tax imposed upon the Change in Control Payment and

any federal, state and local income tax and Excise Tax and any other tax imposed upon the Gross-Up Payments shall be equal to the original amount of the Change in Control Payment, prior to deduction of any Excise Tax imposed with respect to the Change in Control Payment. The Gross-Up Payments are intended to place the Executive in the same economic position he would have been in if the Excise Tax did not apply. The Gross-Up Payments shall be paid to the Executive at the earlier of the time that Change in Control Payments are paid to the Executive, or the time when any Excise Tax relating to said Change in Control Payments becomes due and payable. For purposes of determining the Gross-Up Payments pursuant to this Section 3.B.(i), the Change in Control Payment shall also include any other amounts which would be considered "Parachute Payments" (within the meaning of Section 280G(b)(2) of the Code) to the Executive, including, but not limited to, the value of any Executive Benefits and Retirement Payments made pursuant to the terms of the Retirement Agreement to the extent provided for by Code Section 280G and final, temporary or proposed regulations thereunder, and Gross-Up Payments relating to said amounts shall be paid to the Executive at the earlier of the time that said amounts are paid to the Executive, or the time when any Excise Tax relating to said amounts becomes due and payable.

ii. TAX RATES. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation in the calendar year in which the Gross-Up Payment is to be made, and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes.

iii. TAX CALCULATION. Simultaneously with the Company's payment of the Change in Control Payment, the Company shall deliver to the Executive a written statement specifying the total amount of the Change in Control Payment and the Gross-Up Payment, together with all supporting calculations. If the Executive disagrees with the Company's calculation of either of said payments, the Executive shall submit to the Company, no later than 30 days after receipt of the Company's calculations, a written notice advising the Company of the disagreement and setting forth his calculation of said payments. The Executive's failure to submit such notice within such period shall be conclusively deemed to be an agreement by the Executive as to the amount of the Change in Control Payment and the Gross-Up Payment. If the Company agrees with the Executive's calculations, it shall pay any shortfall to the Executive within 20 days after receipt of such a notice from the Executive, together with interest thereon accruing at the rate of 18 percent per annum, compounded monthly, from the original due date of the Change in Control Payment through the actual date of payment of said shortfall. If the Company does not agree with the Executive's calculations, it shall provide the Executive with a written notice within 20 days after the receipt of the Executive's calculations advising the Executive that the disagreement is to be

referred to an independent accounting firm for resolution. Such disagreement shall be referred to an independent "Big 5" accounting firm which is not the regular accounting firm of the Company and which is agreed to by the Company and the Executive within 10 days after issuance of the Company's notice of disagreement (if the Parties cannot agree on the identity of the accounting firm which is to resolve the dispute, the accounting firm shall be selected by means of a coin toss conducted in Palm Beach County, Florida by counsel to the Executive on the first business day after such 10 day period in such a manner as such counsel may specify). The accounting firm shall review all information provided to it by the Parties and submit a written report setting forth its calculation of the Change in Control Payment and the Gross-Up Payment within 15 days after submission of the matter to it, and such decision shall be final and binding on all of the Parties. The fees and expenses charged by said accounting firm shall be paid by the Company. If the amount of the Change in Control Payment or Gross-Up Payment actually paid by the Company was less than the amount calculated by the accounting firm, the Company shall pay the shortfall to the Executive within 5 days after the accounting firm submits its written report, together with interest thereon accruing at the rate of 18 percent per annum, compounded monthly, from the original due date of the Change in Control Payment through the actual date of payment of said shortfall.

iv. SUBSEQUENT RECALCULATION. In the event the Internal Revenue Service imposes an Excise Tax with respect to the Change in Control Payment that is greater than the Excise Tax calculated hereunder, the Company shall reimburse the Executive for the full amount necessary to make the Executive whole in accordance with the principles set forth above, including any interest and penalties which may be imposed.

C. GOOD REASON. Termination by Executive of his employment for "Good Reason" shall mean a termination by Executive upon:

(i) A material reduction in Executive's title or responsibilities;

(ii) Any reduction in Executive's base salary or annual bonus;

(iii) A diminution in the Executive's eligibility to participate in bonus, stock options, incentive awards and other compensation plans or a diminution in Executive Benefits (as defined below); or

(iv) A change in the location of Executive's principal place of employment by the Company of more than 50 miles from the location at which he was principally employed immediately prior to a Change in Control.

4. COMPENSATION.

(A) ANNUAL BASE SALARY. For all of the services rendered by Executive during the first year of the period of employment, Company will pay Executive a base salary at the rate of not less than \$448,000.00 per year, or such higher salary as may be in effect when a Change in Control (as defined in Section 3) occurs. The Company shall increase the annual base salary paid to Executive by applying a cost of living increase to be determined by the Board of Directors, such increase to be made effective the 1st day of January of each year of the employment term. However, under no circumstances shall the cost of living increase be less than 5% per annum. The annual base salary shall be payable at such regular times and intervals as the Company customarily pays its Executives from time to time.

(B) INCENTIVE BONUS. For each fiscal year of employment during which the Company employs the Executive, the Executive shall be entitled to receive a target bonus of 30% of Executive's then current annual salary plus a multiplier up to 50% in accordance with the executive bonus plan established by the Board of Directors for determining the Executive's annual bonus, such incentive bonus to be paid effective the 1st day of January of each year of the employment term.

5. EXECUTIVE BENEFITS. Executive will be entitled to four weeks of vacation per fiscal year. Executive will be eligible for and will participate in, without action by the Board of Directors of Company or any committee thereof, any additional benefits and perquisites available to executive officers of Company, including any group health, life insurance, disability, or other form of Executive benefit plan or program of Company now existing or that may be later adopted by Company. This includes the health, dental and life insurance programs Company provides currently to its executives.

6. PAYMENT OF CHANGE IN CONTROL PAYMENT. Beginning on the Commencement Date and continuing for twenty-four (24) consecutive months (unless otherwise terminated or accelerated under the terms of this Agreement), the Company shall pay one twenty-fourth (1/24th) of the Change in Control Payment (as defined and calculated above) to the Executive (or his Beneficiar(ies) or Estate). In addition, on the Commencement Date, the Company shall transfer all of its interest in any automobile used by the Executive pursuant to the Company's Executive Automobile Policy (the "Executive Automobile Policy") and shall pay the balance of any outstanding loans or leases on such automobile (whether such obligations are those of the Executive or the Company) so that the Executive owns the automobile outright (in the event such automobile is leased, the Company shall pay the residual cost of such lease).

7. DEATH OR DISABILITY. Executive's employment will terminate immediately upon Executive's death. If Executive become physically or mentally disabled so as to become unable for a period of more than five consecutive months or for shorter periods aggregating at least five months during any twelve month period to perform Executive's duties hereunder on a substantially full-time basis, Executive's employment will terminate as of the end of such five-month or twelve-month period and this shall be considered a "disability" under this Agreement. Such termination shall not affect Executive's benefits under Company's disability insurance program, if any, then in effect.

8. TERMINATION. Either the Executive or the Company may terminate this Agreement for any reason upon not less than ten (10) days written notice.

(A) TERMINATION OF EMPLOYMENT OTHER THAN BY RESIGNATION OF EXECUTIVE. Upon the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, the Executive shall be entitled to and paid six months' Annual Base Salary and target level Incentive Bonus as set forth in paragraph 3. COMPENSATION, based upon the then current salary level; provided that in the event the Executive's employment is terminated for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason prior to full payment of the Change in Control Payment, the Company shall also pay to the Executive any remaining unpaid Change in Control Payment that the Executive would have otherwise been paid had Executive continued employment with the Company.

Further, upon the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, Company shall continue to provide the Executive (and if applicable, his beneficiaries) with the Executive Benefits (as described in Section 5), at no cost to the Executive in no less than the same amount and, on the same terms and conditions as in effect on the date on which the Change of Control occurs for a period of 3 years after the date of termination of the Executive's employment with the Company, or, alternatively, if the Executive (or his estate) elects at any time in a written notice delivered to the Company to waive any particular Executive Benefits, the Company shall make a cash payment to the Executive within ten days after receipt of such election in an amount equal to the present value of the Company's cost of providing such Executive Benefits from the date of such election to the end of the foregoing 3-year period, and such present value shall be determined by reference to the Company's then-current cost levels and a discount rate equal to 120 percent of the short-term applicable Federal rate provided for in Section 1274(d) of the Internal Revenue Code (the "Code") for the month in which the Change in Control occurs. In addition, the Company shall pay to the Executive, within 10 days after said termination, an amount equal to the sum of (a) the dollar value of vacation time that would have been credited to the Executive pursuant to the Company's Vacation Policy (the "Vacation Policy") if the Executive had remained employed by the Company through the "Anniversary Date" (as defined in the Vacation Policy) immediately following his termination of employment, multiplied by a fraction, the numerator of which is the number of days which elapsed from the Executive's Anniversary Date immediately preceding the date of termination through the date of such termination, and the denominator of which is 365, plus (b) the dollar value of vacation time which the Executive was entitled to have taken immediately prior to the Executive's termination, which was not in fact taken by the Executive; the dollar value of vacation time referred to above shall be equal to the amount which would have been paid to the Executive by the Company during such vacation time had the

vacation time in fact been taken by the Executive immediately prior to the Executive's termination. If the Executive dies during the 3-year period following the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, the Company shall provide the Executive Benefits, to the extent applicable, to the Executive's estate, or make any applicable cash payments in lieu thereof to said estate. The Executive shall be deemed to be employed by the Company if the Executive is employed by the Company or any subsidiary of the Company in which the Company owns a majority of the subsidiary's voting securities. Notwithstanding anything else in the Agreement to the contrary, subsequent reemployment of the Executive by the Company or any successor of the Company following a Change in Control will not cause the Executive to forfeit any compensation or benefits provided in this Agreement.

(B) TERMINATION OF EMPLOYMENT BY RESIGNATION OF EXECUTIVE. Upon the termination of this Agreement by the resignation of the Executive without Good Reason, the Executive shall be due no further compensation related to annual salary, incentive bonus, Executive Benefits, or Change in Control Payment than what is due and owing through the effective date of Executive's resignation. Termination of this Agreement by the resignation of the Executive shall not affect Executive's rights under the Retirement Agreement.

9. NON-COMPETITION: CONFIDENTIALITY.

(A) NON-COMPETITION. During the period of Executive's employment with Company and until two years after the termination of Executive's employment, Executive will not, directly or indirectly, on Executive's own behalf or as a partner, officer, director, trustee, Executive, agent, consultant or member of any person, firm or corporation, or otherwise, enter into the employ of, render any service to, or engage in any business or activity which is the same as or competitive with any business or activity conducted by Company or any of its majority owned subsidiaries; provided, however, that the foregoing shall not be deemed to prevent the Executive from investing in securities of any company having a class of securities which is publicly traded, so long as through such investment holdings in the aggregate, the Executive is not deemed to be the beneficial owner of more than 5% of the class of securities that are so publicly traded. During the period of Executive's employment and until three years after the termination of Executive's employment, Executive will not, directly or indirectly, on Executive's own behalf or as a partner, shareholder, officer, Executive, director, trustee, agent, consultant or member of any person, firm or corporation or otherwise, seek to employ or otherwise seek the services of any Executive of Company or any of its majority owned subsidiaries.

(B) CONFIDENTIALITY. During and following the period of Executive's employment with Company, Executive will not use for Executive's own benefit or for the benefit of others, or divulge to others, any information, trade secrets, knowledge or data of secret or confidential nature and otherwise not available to members of the general public that

concerns the business or affairs of Company or its affiliates and which was acquired by Executive at any time prior to or during the term of Executive's employment with Company, except with the specific prior written consent of Company.

(C) WORK PRODUCT. Executive agree that all programs, inventions, innovations, improvements, developments, methods, designs, analyses, reports and all similar or related information which relate to the business of Company and its affiliates, actual or anticipated, or to any actual or anticipated research and development conducted in connection with the business of Company and its affiliates, and all existing or future products or services, which are conceived, developed or made by Executive (alone or with others) during the term of this Agreement ("Work Product") belong to Company. Executive will cooperate fully in the establishment and maintenance of all rights of Company and its affiliates in such Work Product. The provisions of this Section 9(C) will survive termination of this Agreement indefinitely to the extent necessary to require actions to be taken by Executive after the termination of the Agreement with respect to Work Product created during the Agreement.

(D) ENFORCEMENT. If any covenant or agreement contained in this Section 9 is found by a court having jurisdiction to be unreasonable in duration, geographical scope or character of restriction, the covenant or agreement will not be rendered unenforceable thereby but rather the duration, geographical scope or character of restriction of such covenant or agreement will be reduced or modified with retroactive effect to make such covenant or agreement reasonable, and such covenant or agreement will be enforced as so modified.

10. REPRESENTATIONS. Executive hereby represents and warrants to Company that (i) the execution, delivery and full performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject; (ii) Executive is not a party or bound by any employment agreement, consulting agreement, agreement not to compete, confidentiality agreement or similar agreement with any other person or entity; and (iii) upon the execution and delivery of this Agreement by Company, this Agreement will be Executive's valid and binding obligation, enforceable in accordance with its terms.

11. ARBITRATION. In the event of any dispute between Company and Executive with respect to this Agreement, either party may, in its sole discretion by notice to the other, require such dispute to be submitted to arbitration. The arbitrator will be selected by agreement of the Parties or, if they cannot agree on arbitrator or arbitrators within 30 days after the giving of such notice, the arbitrator will be selected by the American Arbitration Association. The determination reached in such arbitration will be final and binding on both Parties without any right of appeal. Execution of the determination by such arbitrator may be sought in any court having jurisdiction. Unless otherwise agreed by the Parties, any such arbitration will take place in West Palm Beach, Florida and will be conducted in accordance with the rules of the American Arbitration Association. If the Executive is the prevailing party in any such arbitration, he will be entitled to reimbursement

by Company of all reasonable costs and expenses (including attorneys' fees incurred in such arbitration).

12. ASSIGNMENT. Executive may not assign, transfer, convey, mortgage, hypothecate, pledge or in any way encumber the compensation or other benefits payable to Executive or any rights which Executive may have under this Agreement. Neither Executive nor Executive's beneficiary or beneficiaries will have any right to receive any compensation or other benefits under this Agreement, except at the time, in the amounts and in the manner provided in this Agreement. This Agreement will inure to the benefit of and will be binding upon any successor to Company. As used in this Agreement, the term "successor" means any person, firm, corporation or other business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the capital stock or assets of Company. This Agreement may not be otherwise assigned by Company.

13. GOVERNING LAW. This Agreement shall be governed by the laws of Florida without regard to the application of conflicts of laws.

14. ENTIRE AGREEMENT. This Agreement and the Executive Retirement Agreement constitute the only agreements between Company and Executive regarding Executive's employment by Company. This Agreement and the Executive Retirement Agreement supersede any and all other agreements and understandings, written or oral, between Company and Executive. A waiver by either party of any provision of this Agreement or any breach of such provision in an instance will not be deemed or construed to be a waiver of such provision for the future, or of any subsequent breach of such provision. This Agreement may be amended, modified or changed only by further written agreement between Company and Executive, duly executed by both Parties.

15. NOTICES. Any and all notices required or permitted to be given hereunder will be in writing and will be deemed to have been given when deposited in United States mail, certified or registered mail, postage prepaid. Any notice to be given by Executive hereunder will be addressed to Company to the attention of its General Counsel at its main offices, 4200 Wackenhut Drive, Palm Beach Gardens, Florida 33410. Any notice to be given to Executive will be addressed to Executive at Executive's residence address last provided by Executive to Company. Either party may change the address to which notices are to be addressed by notice in writing to the other party given in accordance with the terms of this Section.

16. HEADINGS. Section headings are for convenience of reference only and shall not limit or otherwise affect the meaning or interpretation of this Agreement or any of its terms and conditions.

17. CANCELLATION OF EXECUTIVE SEVERANCE AGREEMENT DATED MAY 4, 2001. The Executive Severance Agreement entered into by and between Executive and Company on May 4, 2001, is hereby cancelled and terminated as of the date of execution of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement under seal as of the date first above written.

WACKENHUT CORRECTIONS CORPORATION

By: /s/ George R. Wackenhut

George R. Wackenhut
Chairman

EXECUTIVE

By: /s/ Wayne H. Calabrese

Wayne H. Calabrese
President & Chief Operating Officer

Approved by a majority of the members of the Company Nominating & Compensation Committee at a duly convened meeting of that committee held on the 7th day of March 2002.

/s/ Benjamin R. Civiletti

Mr. Benjamin R. Civiletti, Chairman

/s/ Richard H. Glanton

Mr. Richard H. Glanton, Member

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into effective the 7th day of March 2002 by and between Wackenhut Corrections Corporation ("Company" or "Company") and John G. O'Rourke ("Executive"), or collectively, "the Parties".

WHEREAS, Executive and Company have previously entered into an Executive Severance Agreement (the "Severance Agreement") and Wackenhut Corrections Corporation Retirement Agreement (the "Prior Retirement Agreement"), both effective May 4, 2001, whereby, INTER ALIA, the Executive is to receive certain payments and benefits upon a Change in Control (as defined in the Severance Agreement) and subsequent termination of Executive's employment by the Company within a one year period following the date of a Change in Control, or by the resignation of Executive following a date that is more than one year, but less than two years, following the date of a Change in Control; and

WHEREAS, The Wackenhut Corporation (TWC), a company listed on the New York Stock Exchange and majority owner of Company, and Group 4 Falck, a Danish company registered on the Copenhagen Exchange, have announced an intention to merge TWC with a subsidiary of Group 4 Falck, and the announced merger, if completed, will constitute a Change of Control under the terms of the Severance Agreement and the terms of this Agreement; and

WHEREAS, the Executive and Company wish to cancel and terminate the Severance Agreement and replace the Severance Agreement with this Agreement in order to facilitate the continued employment of Executive under restructured terms and conditions that will benefit the Company and better achieve the objectives of Executive and Company as further set forth herein in the event of a Change in Control (whether such Change in Control is the result of the announced intended merger of TWC with a subsidiary of Group 4 Falck, or in the event such announced merger is not consummated, as a result of a subsequent transaction constituting a Change in Control as defined below); and

WHEREAS, Executive is currently employed by Company in the capacity of Senior Vice President, Chief Financial Officer & Treasurer, and, in the event of a Change in Control (as defined below), Executive and Company desire to (1) continue the employment of Executive in such capacity on the terms and conditions set forth in this Agreement; (2) provide the Executive with a payment and other benefits related to a Change in Control of the Company in recognition of the Executive's contribution to the value of the Company and the Executive's willingness to cancel the Severance Agreement; and (3) enter into this Agreement with the Company that includes an extended non-competition provision; and

WHEREAS, Executive and Company are entering into an Executive Retirement Agreement (the "Retirement Agreement") contemporaneously with this Agreement; and

WHEREAS, the basic terms and conditions of this Agreement and the Retirement Agreement were reviewed and approved by the Board of Directors of WCC and the Nominating and

Compensation Committee members of the Board of Directors of WCC at a meeting held on the of March 7, 2002;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. POSITION AND DUTIES. Company hereby agrees to continue to employ Executive and Executive hereby accepts continued employment and agrees to continue to serve as Senior Vice President, Chief Financial Officer & Treasurer. Executive will perform all duties and responsibilities and will have all authority inherent in the position of Senior Vice President, Chief Financial Officer & Treasurer.

2. TERM OF AGREEMENT AND EMPLOYMENT. The term of this Agreement shall begin upon the date first set forth above and continue until the termination of Executive's employment with the Company for any reason. The term of Executive's employment under this Agreement will be for an initial period of two (2) years, beginning on the first day of the first month following a Change in Control (as defined in Section 3) (the "Commencement Date"), and terminating two years thereafter. The term of employment under this Agreement will be automatically extended by one day every day such that it has a continuous "rolling" two-year term, unless otherwise terminated pursuant to paragraph 7. TERMINATION. Prior to any Change in Control (as defined in Section 3) occurring, Executive shall continue to be employed in Executive's current capacity and be subject to the same terms and conditions of employment as exist immediately prior to the effective date of this Agreement.

3. DEFINITIONS.

A. CHANGE IN CONTROL. For purposes of this Agreement, a "Change in Control" shall be deemed to have occurred as of the day that any one or more of the following conditions shall have been satisfied:

(i) any "person" as such term is used in Section 12(d) and 14(d) of the Securities Exchange Act of 1934, (the "Exchange Act") (other than the Company, TWC or any trustee or other fiduciary holding securities under any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (or a successor by merger, consolidation or similar transaction, referred to in this Section as a "successor") representing a percentage of combined voting power of the Company's (or its successor's) then outstanding securities which is greater than the percentage of the combined voting power represented by securities of the Company (or its successor) then owned by TWC; provided, however, that for purposes of this clause (i), the percentage so owned by TWC shall not be treated as beneficially owned by any direct or indirect shareholder of TWC; and provided further, that the transfer of securities of the Company owned by TWC to any direct or indirect shareholders of TWC in connection with any one or more spin-offs, split-offs, split-ups, corporate distributions or similar

transactions consummated as part of an integrated plan involving TWC's direct or indirect shareholders (a "Restructuring Transaction") shall not be deemed to constitute a Change in Control; or

(ii) after consummation of a Restructuring Transaction, any person, as defined above (other than the Company, TWC or any trustee or other fiduciary holding securities under any employee benefit plan of the Company), is or becomes the beneficial owner, as defined above, directly or indirectly, of securities of the Company or its successor representing a majority of the combined voting power of the Company's (or its successor's) then outstanding securities; provided, however that the ownership of securities of the Company constituting such a majority by a person immediately after consummation of a Restructuring Transaction and by such person thereafter shall not constitute a Change in Control; and provided further, that the subsequent acquisition of securities by another person which causes such other person to own such a majority will constitute a Change in Control; or

(iii) the Company consummates (1) an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets except pursuant to a merger, consolidation or similar transaction involving the Company and a successor (as defined above) (said merger, consolidation or similar transaction shall be tested only pursuant to clause (i) above) or (2) a plan of complete liquidation of the Company, or

(iv) any "person," as such term is used in Section 13(d) and 14(d) of the Exchange Act (other than the Company, TWC, members of the TWC Controlling Shareholder Group, any trustee or other fiduciary holding securities under any employee benefit plan of the Company or TWC), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of TWC representing 30% or more of the combined voting power of TWC's then outstanding securities; or

(v) the shareholders of TWC approve a merger or consolidation of TWC with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of TWC outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 80% of the combined voting power of the voting securities of TWC or such surviving entity outstanding immediately after such merger or consolidation; or

(vi) TWC consummates (1) an agreement for the sale or disposition by TWC of all or substantially all of TWC's assets except pursuant to a merger, consolidation or similar transaction involving TWC where TWC is not the surviving entity (said merger, consolidation or similar transaction shall be tested

only pursuant to clause (v) above) or (2) a plan of complete liquidation of TWC; or

(vii) the total combined voting power of TWC (or any successor entity) represented by shares of voting stock owned by members of the TWC Controlling Shareholder Group is reduced to 30% or less.

Notwithstanding the foregoing, in no event shall a Change in Control be deemed to have occurred with respect to the Executive if the Executive is part of a purchasing group that consummates a transaction causing a Change in Control. The Executive shall be deemed "part of a purchasing group" for purposes of the preceding sentence if the Executive is a direct or indirect equity participant in the purchasing company or group. Furthermore, the occurrence of any of the events listed in clauses (iv), (v), (vi) or (vii) above shall not constitute a Change in Control if they occur after consummation of a Restructuring Transaction.

The "TWC Controlling Shareholder Group" includes (i) George R. Wackenhut, (ii) the spouse and lineal descendants of George R. Wackenhut, (iii) any trust whose only beneficiaries are person described in the foregoing clauses (i) and (ii), and (iv) Affiliates of the persons described in the foregoing clauses (i), (ii) and (iii). An "Affiliate" of a person includes only a corporation, limited liability company, partnership, or similar entity where all of the voting securities or ownership interests of said entity are directly owned by such person. Unless otherwise defined, a "person" includes any natural person and any corporation, limited liability company, partnership, trust or other entity.

Once a Change in Control occurs after the execution of this Agreement, the subsequent occurrence of another event which is described above shall not be considered to be a Change in Control under this Agreement.

B. CHANGE IN CONTROL PAYMENT. For purposes of this Agreement, the "Change in Control Payment" shall mean an aggregate amount of money equal to the product of three (3) multiplied by the sum of the Executive's annual base salary as in effect at the time of the Commencement Date, plus the annual bonus the Executive received for calendar year 2001 (paid in 2002), together with any Equalization Payment paid in accordance with Section 3.B.(i). In the event that the Company does not pay the Change in Control Payment by the due dates specified in this Agreement, then any unpaid amount shall bear interest at the rate of 18 percent per annum, compounded monthly, until it is paid.

i. EQUALIZATION PAYMENTS. If any of the Change in Control Payment will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any similar tax that may hereafter be imposed), the Company shall pay to the Executive in cash additional amounts (the "Gross-Up Payments") such that the net amount retained by the

Executive after deduction from the Change in Control Payment and the Gross-Up Payments of any Excise Tax imposed upon the Change in Control Payment and any federal, state and local income tax and Excise Tax and any other tax imposed upon the Gross-Up Payments shall be equal to the original amount of the Change in Control Payment, prior to deduction of any Excise Tax imposed with respect to the Change in Control Payment. The Gross-Up Payments are intended to place the Executive in the same economic position he would have been in if the Excise Tax did not apply. The Gross-Up Payments shall be paid to the Executive at the earlier of the time that Change in Control Payments are paid to the Executive, or the time when any Excise Tax relating to said Change in Control Payments becomes due and payable. For purposes of determining the Gross-Up Payments pursuant to this Section 3.B.(i), the Change in Control Payment shall also include any other amounts which would be considered "Parachute Payments" (within the meaning of Section 280G(b)(2) of the Code) to the Executive, including, but not limited to, the value of any Executive Benefits and Retirement Payments made pursuant to the terms of the Retirement Agreement to the extent provided for by Code Section 280G and final, temporary or proposed regulations thereunder, and Gross-Up Payments relating to said amounts shall be paid to the Executive at the earlier of the time that said amounts are paid to the Executive, or the time when any Excise Tax relating to said amounts becomes due and payable.

ii. TAX RATES. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation in the calendar year in which the Gross-Up Payment is to be made, and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes.

iii. TAX CALCULATION. Simultaneously with the Company's payment of the Change in Control Payment, the Company shall deliver to the Executive a written statement specifying the total amount of the Change in Control Payment and the Gross-Up Payment, together with all supporting calculations. If the Executive disagrees with the Company's calculation of either of said payments, the Executive shall submit to the Company, no later than 30 days after receipt of the Company's calculations, a written notice advising the Company of the disagreement and setting forth his calculation of said payments. The Executive's failure to submit such notice within such period shall be conclusively deemed to be an agreement by the Executive as to the amount of the Change in Control Payment and the Gross-Up Payment. If the Company agrees with the Executive's calculations, it shall pay any shortfall to the Executive within 20 days after receipt of such a notice from the Executive, together with interest thereon accruing at the rate of 18 percent per annum, compounded monthly, from the original due date of the Change in Control Payment through the actual date of payment of said shortfall. If the Company does not agree with the Executive's calculations, it shall

provide the Executive with a written notice within 20 days after the receipt of the Executive's calculations advising the Executive that the disagreement is to be referred to an independent accounting firm for resolution. Such disagreement shall be referred to an independent "Big 5" accounting firm which is not the regular accounting firm of the Company and which is agreed to by the Company and the Executive within 10 days after issuance of the Company's notice of disagreement (if the Parties cannot agree on the identity of the accounting firm which is to resolve the dispute, the accounting firm shall be selected by means of a coin toss conducted in Palm Beach County, Florida by counsel to the Executive on the first business day after such 10 day period in such a manner as such counsel may specify). The accounting firm shall review all information provided to it by the Parties and submit a written report setting forth its calculation of the Change in Control Payment and the Gross-Up Payment within 15 days after submission of the matter to it, and such decision shall be final and binding on all of the Parties. The fees and expenses charged by said accounting firm shall be paid by the Company. If the amount of the Change in Control Payment or Gross-Up Payment actually paid by the Company was less than the amount calculated by the accounting firm, the Company shall pay the shortfall to the Executive within 5 days after the accounting firm submits its written report, together with interest thereon accruing at the rate of 18 percent per annum, compounded monthly, from the original due date of the Change in Control Payment through the actual date of payment of said shortfall.

iv. SUBSEQUENT RECALCULATION. In the event the Internal Revenue Service imposes an Excise Tax with respect to the Change in Control Payment that is greater than the Excise Tax calculated hereunder, the Company shall reimburse the Executive for the full amount necessary to made the Executive whole in accordance with the principles set forth above, including any interest and penalties which may be imposed.

C. GOOD REASON. Termination by Executive of his employment for "Good Reason" shall mean a termination by Executive upon:

- (i) A material reduction in Executive's title or responsibilities;
- (ii) Any reduction in Executive's base salary or annual bonus;
- (iii) A diminution in the Executive's eligibility to participate in bonus, stock options, incentive awards and other compensation plans or a diminution in Executive Benefits (as defined below); or
- (iv) A change in the location of Executive's principal place of employment by the Company of more than 50 miles from the location at which he was principally employed immediately prior to a Change in Control.

4. COMPENSATION.

(A) ANNUAL BASE SALARY. For all of the services rendered by Executive during the first year of the period of employment, Company will pay Executive a base salary at the rate of not less than \$255,200.00 per year, or such higher salary as may be in effect when a Change in Control (as defined in Section 3) occurs. The Company shall increase the annual base salary paid to Executive by applying a cost of living increase to be determined by the Board of Directors, such increase to be made effective the 1st day of January of each year of the employment term. However, under no circumstances shall the cost of living increase be less than 5% per annum. The annual base salary shall be payable at such regular times and intervals as the Company customarily pays its Executives from time to time.

(B) INCENTIVE BONUS. For each fiscal year of employment during which the Company employs the Executive, the Executive shall be entitled to receive a target bonus of 25% of Executive's then current annual salary plus a multiplier up to 50% in accordance with the executive bonus plan established by the Board of Directors for determining the Executive's annual bonus, such incentive bonus to be paid effective the 1st day of January of each year of the employment term.

5. EXECUTIVE BENEFITS. Executive will be entitled to four weeks of vacation per fiscal year. Executive will be eligible for and will participate in, without action by the Board of Directors of Company or any committee thereof, any additional benefits and perquisites available to executive officers of Company, including any group health, life insurance, disability, or other form of Executive benefit plan or program of Company now existing or that may be later adopted by Company. This includes the health, dental and life insurance programs Company provides currently to its executives.

6. PAYMENT OF CHANGE IN CONTROL PAYMENT. Beginning on the Commencement Date and continuing for twenty-four (24) consecutive months (unless otherwise terminated or accelerated under the terms of this Agreement), the Company shall pay one twenty-fourth (1/24th) of the Change in Control Payment (as defined and calculated above) to the Executive (or his Beneficiar(ies) or Estate). In addition, on the Commencement Date, the Company shall transfer all of its interest in any automobile used by the Executive pursuant to the Company's Executive Automobile Policy (the "Executive Automobile Policy") and shall pay the balance of any outstanding loans or leases on such automobile (whether such obligations are those of the Executive or the Company) so that the Executive owns the automobile outright (in the event such automobile is leased, the Company shall pay the residual cost of such lease).

7. DEATH OR DISABILITY. Executive's employment will terminate immediately upon Executive's death. If Executive become physically or mentally disabled so as to become unable for a period of more than five consecutive months or for shorter periods aggregating at least five months during any twelve month period to perform Executive's duties hereunder on a substantially full-time basis, Executive's employment will terminate as of the end of such five-month or twelve-month period and this shall be considered a "disability" under this

Agreement. Such termination shall not affect Executive's benefits under Company's disability insurance program, if any, then in effect.

8. TERMINATION. Either the Executive or the Company may terminate this Agreement for any reason upon not less than ten (10) days written notice.

(A) TERMINATION OF EMPLOYMENT OTHER THAN BY RESIGNATION OF EXECUTIVE. Upon the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, the Executive shall be entitled to and paid six months' Annual Base Salary and target level Incentive Bonus as set forth in paragraph 3. COMPENSATION, based upon the then current salary level; provided that in the event the Executive's employment is terminated for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason prior to full payment of the Change in Control Payment, the Company shall also pay to the Executive any remaining unpaid Change in Control Payment that the Executive would have otherwise been paid had Executive continued employment with the Company.

Further, upon the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, Company shall continue to provide the Executive (and if applicable, his beneficiaries) with the Executive Benefits (as described in Section 5), at no cost to the Executive in no less than the same amount and, on the same terms and conditions as in effect on the date on which the Change of Control occurs for a period of 3 years after the date of termination of the Executive's employment with the Company, or, alternatively, if the Executive (or his estate) elects at any time in a written notice delivered to the Company to waive any particular Executive Benefits, the Company shall make a cash payment to the Executive within ten days after receipt of such election in an amount equal to the present value of the Company's cost of providing such Executive Benefits from the date of such election to the end of the foregoing 3-year period, and such present value shall be determined by reference to the Company's then-current cost levels and a discount rate equal to 120 percent of the short-term applicable Federal rate provided for in Section 1274(d) of the Internal Revenue Code (the "Code") for the month in which the Change in Control occurs. In addition, the Company shall pay to the Executive, within 10 days after said termination, an amount equal to the sum of (a) the dollar value of vacation time that would have been credited to the Executive pursuant to the Company's Vacation Policy (the "Vacation Policy") if the Executive had remained employed by the Company through the "Anniversary Date" (as defined in the Vacation Policy) immediately following his termination of employment, multiplied by a fraction, the numerator of which is the number of days which elapsed from the Executive's Anniversary Date immediately preceding the date of termination through the date of such termination, and the denominator of which is 365, plus (b) the dollar value of vacation time which the Executive was entitled to have taken immediately prior to the Executive's termination, which was not in fact taken by the Executive; the

dollar value of vacation time referred to above shall be equal to the amount which would have been paid to the Executive by the Company during such vacation time had the vacation time in fact been taken by the Executive immediately prior to the Executive's termination. If the Executive dies during the 3-year period following the termination of this Agreement for any reason (including termination of employment by the Executive for Good Reason, or the death or disability of Executive) other than by the resignation of Executive without Good Reason, the Company shall provide the Executive Benefits, to the extent applicable, to the Executive's estate, or make any applicable cash payments in lieu thereof to said estate. The Executive shall be deemed to be employed by the Company if the Executive is employed by the Company or any subsidiary of the Company in which the Company owns a majority of the subsidiary's voting securities. Notwithstanding anything else in the Agreement to the contrary, subsequent reemployment of the Executive by the Company or any successor of the Company following a Change in Control will not cause the Executive to forfeit any compensation or benefits provided in this Agreement.

(B) TERMINATION OF EMPLOYMENT BY RESIGNATION OF EXECUTIVE. Upon the termination of this Agreement by the resignation of the Executive without Good Reason, the Executive shall be due no further compensation related to annual salary, incentive bonus, Executive Benefits, or Change in Control Payment than what is due and owing through the effective date of Executive's resignation. Termination of this Agreement by the resignation of the Executive shall not affect Executive's rights under the Retirement Agreement.

9. NON-COMPETITION: CONFIDENTIALITY.

(A) NON-COMPETITION. During the period of Executive's employment with Company and until two years after the termination of Executive's employment, Executive will not, directly or indirectly, on Executive's own behalf or as a partner, officer, director, trustee, Executive, agent, consultant or member of any person, firm or corporation, or otherwise, enter into the employ of, render any service to, or engage in any business or activity which is the same as or competitive with any business or activity conducted by Company or any of its majority owned subsidiaries; provided, however, that the foregoing shall not be deemed to prevent the Executive from investing in securities of any company having a class of securities which is publicly traded, so long as through such investment holdings in the aggregate, the Executive is not deemed to be the beneficial owner of more than 5% of the class of securities that are so publicly traded. During the period of Executive's employment and until three years after the termination of Executive's employment, Executive will not, directly or indirectly, on Executive's own behalf or as a partner, shareholder, officer, Executive, director, trustee, agent, consultant or member of any person, firm or corporation or otherwise, seek to employ or otherwise seek the services of any Executive of Company or any of its majority owned subsidiaries.

(B) CONFIDENTIALITY. During and following the period of Executive's employment with Company, Executive will not use for Executive's own benefit or for the benefit of others,

or divulge to others, any information, trade secrets, knowledge or data of secret or confidential nature and otherwise not available to members of the general public that concerns the business or affairs of Company or its affiliates and which was acquired by Executive at any time prior to or during the term of Executive's employment with Company, except with the specific prior written consent of Company.

(C) WORK PRODUCT. Executive agree that all programs, inventions, innovations, improvements, developments, methods, designs, analyses, reports and all similar or related information which relate to the business of Company and its affiliates, actual or anticipated, or to any actual or anticipated research and development conducted in connection with the business of Company and its affiliates, and all existing or future products or services, which are conceived, developed or made by Executive (alone or with others) during the term of this Agreement ("Work Product") belong to Company. Executive will cooperate fully in the establishment and maintenance of all rights of Company and its affiliates in such Work Product. The provisions of this Section 9(C) will survive termination of this Agreement indefinitely to the extent necessary to require actions to be taken by Executive after the termination of the Agreement with respect to Work Product created during the Agreement.

(D) ENFORCEMENT. If any covenant or agreement contained in this Section 9 is found by a court having jurisdiction to be unreasonable in duration, geographical scope or character of restriction, the covenant or agreement will not be rendered unenforceable thereby but rather the duration, geographical scope or character of restriction of such covenant or agreement will be reduced or modified with retroactive effect to make such covenant or agreement reasonable, and such covenant or agreement will be enforced as so modified.

10. REPRESENTATIONS. Executive hereby represents and warrants to Company that (i) the execution, delivery and full performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject; (ii) Executive is not a party or bound by any employment agreement, consulting agreement, agreement not to compete, confidentiality agreement or similar agreement with any other person or entity; and (iii) upon the execution and delivery of this Agreement by Company, this Agreement will be Executive's valid and binding obligation, enforceable in accordance with its terms.

11. ARBITRATION. In the event of any dispute between Company and Executive with respect to this Agreement, either party may, in its sole discretion by notice to the other, require such dispute to be submitted to arbitration. The arbitrator will be selected by agreement of the Parties or, if they cannot agree on arbitrator or arbitrators within 30 days after the giving of such notice, the arbitrator will be selected by the American Arbitration Association. The determination reached in such arbitration will be final and binding on both Parties without any right of appeal. Execution of the determination by such arbitrator may be sought in any court having jurisdiction. Unless otherwise agreed by the Parties, any such arbitration will take place in West Palm Beach, Florida and will be conducted in accordance with the rules of the American Arbitration Association. If the Executive is the prevailing party in any such arbitration, he will be entitled to reimbursement

by Company of all reasonable costs and expenses (including attorneys' fees incurred in such arbitration).

12. ASSIGNMENT. Executive may not assign, transfer, convey, mortgage, hypothecate, pledge or in any way encumber the compensation or other benefits payable to Executive or any rights which Executive may have under this Agreement. Neither Executive nor Executive's beneficiary or beneficiaries will have any right to receive any compensation or other benefits under this Agreement, except at the time, in the amounts and in the manner provided in this Agreement. This Agreement will inure to the benefit of and will be binding upon any successor to Company. As used in this Agreement, the term "successor" means any person, firm, corporation or other business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the capital stock or assets of Company. This Agreement may not be otherwise assigned by Company.

13. GOVERNING LAW. This Agreement shall be governed by the laws of Florida without regard to the application of conflicts of laws.

14. ENTIRE AGREEMENT. This Agreement and the Executive Retirement Agreement constitute the only agreements between Company and Executive regarding Executive's employment by Company. This Agreement and the Executive Retirement Agreement supersede any and all other agreements and understandings, written or oral, between Company and Executive. A waiver by either party of any provision of this Agreement or any breach of such provision in an instance will not be deemed or construed to be a waiver of such provision for the future, or of any subsequent breach of such provision. This Agreement may be amended, modified or changed only by further written agreement between Company and Executive, duly executed by both Parties.

15. NOTICES. Any and all notices required or permitted to be given hereunder will be in writing and will be deemed to have been given when deposited in United States mail, certified or registered mail, postage prepaid. Any notice to be given by Executive hereunder will be addressed to Company to the attention of its General Counsel at its main offices, 4200 Wackenhut Drive, Palm Beach Gardens, Florida 33410. Any notice to be given to Executive will be addressed to Executive at Executive's residence address last provided by Executive to Company. Either party may change the address to which notices are to be addressed by notice in writing to the other party given in accordance with the terms of this Section.

16. HEADINGS. Section headings are for convenience of reference only and shall not limit or otherwise affect the meaning or interpretation of this Agreement or any of its terms and conditions.

17. CANCELLATION OF EXECUTIVE SEVERANCE AGREEMENT DATED MAY 4, 2001. The Executive Severance Agreement entered into by and between Executive and Company on May 4, 2001, is hereby cancelled and terminated as of the date of execution of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement under seal as of the date first above written.

WACKENHUT CORRECTIONS CORPORATION

By: /s/ George R. Wackenhut

George R. Wackenhut
Chairman

EXECUTIVE

By: /s/ John G. O'Rourke

John G. O'Rourke
Senior Vice President, Chief
Financial Officer & Treasurer

Approved by a majority of the members of the Company Nominating & Compensation Committee at a duly convened meeting of that committee held on the 7th day of March 2002.

/s/ Benjamin R. Civiletti

Mr. Benjamin R. Civiletti, Chairman

/s/ Richard H. Glanton

Mr. Richard H. Glanton, Member

EXECUTIVE RETIREMENT AGREEMENT

THIS RETIREMENT AGREEMENT (this "Agreement") is entered into effective the 7th day of March 2002 by and between Wackenhut Corrections Corporation ("Company") and George C. Zoley ("Executive"), or collectively, "the Parties", and supersedes and replaces any prior written retirement agreement between the Parties.

WHEREAS, Executive and Company have previously entered into an Executive Severance Agreement (the "Severance Agreement") and Wackenhut Corrections Corporation Retirement Agreement (the "Prior Retirement Agreement"), both effective May 4, 2001, whereby, INTER ALIA, the Executive is to receive certain payments and benefits upon a Change in Control (as defined in the Severance Agreement) and subsequent termination of Executive's employment by the Company within a one year period following the date of a Change in Control, or by the resignation of Executive following a date that is more than one year, but less than two years, following the date of a Change in Control; and

WHEREAS, The Wackenhut Corporation (TWC), a company listed on the New York Stock Exchange and majority owner of Company, and Group 4 Falck, a Danish company registered on the Copenhagen Exchange, have announced an intention to merge TWC with a subsidiary of Group 4 Falck, and the announced merger, if completed, will constitute a Change of Control under the terms of the Severance Agreement and the terms of this Agreement; and

WHEREAS, the Executive and Company wish to cancel and terminate the Prior Retirement Agreement and replace the Prior Retirement Agreement with this Agreement in order to facilitate the continued employment of Executive under restructured terms and conditions that will benefit the Company and better achieve the objectives of Executive and Company as further set forth herein in the event of a Change in Control (whether such Change in Control is the result of the announced intended merger of TWC with a subsidiary of Group 4 Falck, or in the event such announced merger is not consummated, as a result of a subsequent transaction constituting a Change in Control as defined below); and

WHEREAS, Executive and Company are entering into an Executive Employment Agreement (the "Employment Agreement") contemporaneously with this Agreement; and

WHEREAS, the basic terms and conditions of this Agreement and the Employment Agreement were reviewed and approved by the Board of Directors of WCC and the Nominating and Compensation Committee members of the Board of Directors of WCC at a meeting held on the of March 7, 2002;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. EMPLOYMENT. Company currently employs Executive as Vice Chairman & CEO. Executive will devote his full energy, skill and best efforts to the affairs of Company on a full-time basis.

2. RETIREMENT DATE. Executive is eligible to retire upon Executive's 60th birthday, which is February 7, 2010 (the "Retirement Date").

3. TERMINATION. Either Company or Executive may terminate Executive's employment at any time and for any reason upon ten (10) days written notice to the other in accordance with the terms and conditions set forth in the Employment Agreement.

4. RETIREMENT RIGHTS FULLY VESTED. Notwithstanding the termination of Executive's employment with the Company for any reason whatsoever, Executive's rights hereunder are fully vested.

5. RETIREMENT PAYMENT/CONTINUED EMPLOYMENT. Upon the Retirement Date, Company will pay to Executive, or in the event of Executive's death following the Retirement Date, to Executive's Beneficiary(ies) or Estate, \$20,833.33 monthly for three hundred (300) consecutive months (the "Retirement Payments"). In the event Executive dies prior to the Retirement Date (except as set forth in Section 6), Executive's Beneficiary(ies) or Estate shall receive \$10,416.66 for one hundred fifty (150) consecutive months. Executive's continued employment with the Company beyond the Retirement Date shall not affect Executive's right to receive the Retirement Payments as set forth herein. Executive shall not be entitled to any further Retirement Payments beyond what is due hereunder by reason of Executive's continued employment beyond the Retirement Date.

6. CHANGE IN CONTROL. Upon the occurrence of a "Change in Control" (as defined in the Employment Agreement between Executive and Company entered into contemporaneously with this Agreement, which definition is incorporated by reference as though fully rewritten herein), the Executive's Retirement Date shall automatically be changed for all purposes to February 7, 2005 or, in the event a Change in Control occurs after February 7, 2005 but before February 7, 2010, upon the actual date of Change in Control. If a Change in Control occurs, the Company shall, upon the Retirement Date (as automatically accelerated herein), pay to Executive, or in the event that Executive dies following a Change in Control but prior to the Retirement Date to Executive's Beneficiary(ies) or Estate, the present value of the Retirement Payments, determined after giving effect to the acceleration of the Retirement Date to February 7, 2005 or, in the event a Change in Control occurs after February 7, 2005 but before February 7, 2010, after giving effect to the acceleration of the Retirement Date to the actual date of Change in Control. If a Change in Control occurs after February 7, 2010, the Company shall pay to Executive the present value of the then unpaid Retirement Payments. The present value of the Retirement Payment shall be calculated (i) using discount rates equal to the lower of the applicable rates provided in Internal Revenue Code Section 280G(d)(4), or six and one half percent (6 1/2%), and (ii) without regard to any mortality factors or related probabilities. The Employment Agreement provides for the payment of a Gross-Up Payment (as defined therein) with respect to amounts payable under this Agreement to the extent that such amounts give rise to an Excise Tax (as defined in the

Employment Agreement). Accordingly, to the extent that the provisions of this Agreement or amounts payable hereunder give rise to an Excise Tax, the Company shall pay to the Executive a Gross-Up Payment pursuant to the Employment Agreement at the earlier of the time that said amounts are paid to the Executive, or the time when any Excise Tax relating to said amounts becomes due and payable. Nothing in this Agreement shall be construed to obligate the Company to pay to the Executive any additional Gross-Up Payments relating to this Agreement and the payments hereunder to the extent that said Gross-Up Payments are paid to the Executive pursuant to the terms of the Employment Agreement.

7. SMALL AMOUNTS. In the event the amount of any monthly payments provided herein shall be less than Twenty Dollars (\$20), the Company in its sole discretion may in lieu thereof pay the commuted value of such payments (calculated on the basis of the interest rate and mortality assumptions being used by The Northwestern Mutual Life Insurance Company of Milwaukee, Wisconsin, to calculate immediate annuity rates on the date of this Agreement) to the person entitled to such payments.

8. BENEFICIARY. The Beneficiary (or Beneficiaries) of any payments to be made after Executive's death shall be as designated by Executive and shown on Exhibit A attached hereto or such other person or persons as Executive shall designate in writing to the Company. If Executive has made no effective designation of Beneficiaries, any such payments shall be made to Executive's estate.

9. RESTRICTION AND NON-COMPETITION. Executive shall not for a period of two years following Executive's employment with the Company, either directly or indirectly, accept employment with, render service, assistance or advice to, own, manage, operate, control or participate in the ownership, or allow his name to be used by any competitor of the Company unless approved by the Board of Directors of the Company. Determination by the Board of Directors of the Company that Executive has engaged in any such activity shall be binding and conclusive on all parties, and in addition to all other rights and remedies which Company shall have, neither Executive nor Beneficiary shall be entitled to any payments hereunder.

10. INSURANCE. If Company shall elect to purchase a life insurance contract to provide Company with funds to make payments hereunder, Company shall at all times be the sole and complete owner and beneficiary of such contract, and shall have the unrestricted right to use all amounts and exercise all options and privileges there under without knowledge or consent of Executive or Beneficiary or any other person, it being expressly agreed that neither Executive nor Beneficiary nor any other person shall have any right, title or interest whatsoever in or to any such contract.

11. SOURCE OF PAYMENTS. Executive, Beneficiary and any other person or persons having or claiming a right to payments hereunder or to any interest in this Agreement shall rely solely on the unsecured promise of Company set forth herein, and nothing in this Agreement shall be construed to give Executive, Beneficiary or any other person or persons any right, title, interest or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever owned by Company or in which it may have any right, title or interest now or in the future, but

Executive shall have the right to enforce his claim against Company in the same manner as any unsecured creditor.

12. AMENDMENT. This Agreement may be amended at any time or from time to time by written agreement of the parties.

13. ASSIGNMENT. Neither Executive, nor Beneficiary, nor any other person entitled to payments hereunder shall have power to transfer, assign, anticipate, mortgage or otherwise encumber in advance any of such payments, nor shall such payments be subject to seizure for the payment of public or private debts, judgments, alimony or separate maintenance, or be transferable by operation of law in event of bankruptcy, insolvency or otherwise.

14. BINDING EFFECT. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns. The Company agrees it will not be a party to any merger, consolidation or reorganization, unless and until its obligations hereunder shall be expressly assumed by its successors.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

WACKENHUT CORRECTIONS CORPORATION

/s/ George R. Wackenhut

George R. Wackenhut
Chairman

EXECUTIVE

/s/ George C. Zoley

George C. Zoley
Vice Chairman & CEO

Approved by a majority of the members of the Company Nominating & Compensation Committee at a duly convened meeting of that committee held on the 7th day of March 2002.

/s/ Benjamin R. Civiletti

Mr. Benjamin R. Civiletti, Chairman

/s/ Richard H. Glanton

Mr. Richard H. Glanton, Member

EXECUTIVE RETIREMENT AGREEMENT

THIS RETIREMENT AGREEMENT (this "Agreement") is entered into effective the 7th day of March 2002 by and between Wackenhut Corrections Corporation ("Company") and Wayne H. Calabrese ("Executive"), or collectively, "the Parties", and supersedes and replaces any prior written retirement agreement between the Parties.

WHEREAS, Executive and Company have previously entered into an Executive Severance Agreement (the "Severance Agreement") and Wackenhut Corrections Corporation Retirement Agreement (the "Prior Retirement Agreement"), both effective May 4, 2001, whereby, INTER ALIA, the Executive is to receive certain payments and benefits upon a Change in Control (as defined in the Severance Agreement) and subsequent termination of Executive's employment by the Company within a one year period following the date of a Change in Control, or by the resignation of Executive following a date that is more than one year, but less than two years, following the date of a Change in Control; and

WHEREAS, The Wackenhut Corporation (TWC), a company listed on the New York Stock Exchange and majority owner of Company, and Group 4 Falck, a Danish company registered on the Copenhagen Exchange, have announced an intention to merge TWC with a subsidiary of Group 4 Falck, and the announced merger, if completed, will constitute a Change of Control under the terms of the Severance Agreement and the terms of this Agreement; and

WHEREAS, the Executive and Company wish to cancel and terminate the Prior Retirement Agreement and replace the Prior Retirement Agreement with this Agreement in order to facilitate the continued employment of Executive under restructured terms and conditions that will benefit the Company and better achieve the objectives of Executive and Company as further set forth herein in the event of a Change in Control (whether such Change in Control is the result of the announced intended merger of TWC with a subsidiary of Group 4 Falck, or in the event such announced merger is not consummated, as a result of a subsequent transaction constituting a Change in Control as defined below); and

WHEREAS, Executive and Company are entering into an Executive Employment Agreement (the "Employment Agreement") contemporaneously with this Agreement; and

WHEREAS, the basic terms and conditions of this Agreement and the Employment Agreement were reviewed and approved by the Board of Directors of WCC and the Nominating and Compensation Committee members of the Board of Directors of WCC at a meeting held on the of March 7, 2002;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. EMPLOYMENT. Company currently employs Executive as President & Chief Operating Officer. Executive will devote his full energy, skill and best efforts to the affairs of Company on a full-time basis.

2. RETIREMENT DATE. Executive is eligible to retire upon Executive's 60th birthday, which is November 5, 2010 (the "Retirement Date").

3. TERMINATION. Either Company or Executive may terminate Executive's employment at any time and for any reason upon ten (10) days written notice to the other in accordance with the terms and conditions set forth in the Employment Agreement.

4. RETIREMENT RIGHTS FULLY VESTED. Notwithstanding the termination of Executive's employment with the Company for any reason whatsoever, Executive's rights hereunder are fully vested.

5. RETIREMENT PAYMENT/CONTINUED EMPLOYMENT. Upon the Retirement Date, Company will pay to Executive, or in the event of Executive's death following the Retirement Date, to Executive's Beneficiar(ies) or Estate, \$16,666.66 monthly for three hundred (300) consecutive months (the "Retirement Payments"). In the event Executive dies prior to the Retirement Date (except as set forth in Section 6), Company shall pay to Executive's Beneficiar(ies) or Estate \$8,333.33 for one hundred fifty (150) consecutive months, commencing with the first month following death. Executive's continued employment with the Company beyond the Retirement Date shall not affect Executive's right to receive the Retirement Payments as set forth herein. Executive shall not be entitled to any further Retirement Payments beyond what is due hereunder by reason of Executive's continued employment beyond the Retirement Date.

6. CHANGE IN CONTROL. Upon the occurrence of a "Change in Control" (as defined in the Employment Agreement between Executive and Company entered into contemporaneously with this Agreement, which definition is incorporated by reference as though fully rewritten herein), the Executive's Retirement Date shall automatically be changed for all purposes to November 5, 2005 or, in the event a Change in Control occurs after November 5, 2005 but before November 5, 2010, upon the actual date of Change in Control. If a Change in Control occurs, the Company shall, upon the Retirement Date (as automatically accelerated herein), pay to Executive, or in the event that Executive dies following a Change in Control but prior to the Retirement Date to Executive's Beneficiar(ies) or Estate, the present value of the Retirement Payments, determined after giving effect to the acceleration of the Retirement Date to November 5, 2005 or, in the event a Change in Control occurs after November 5, 2005 but before November 5, 2010, after giving effect to the acceleration of the Retirement Date to the actual date of Change in Control. If a Change in Control occurs after November 5, 2010, the Company shall pay to Executive the present value of the then unpaid Retirement Payments. The present value of the Retirement Payment shall be calculated (i) using discount rates equal to the lower of the applicable rates provided in Internal Revenue Code Section 280G(d)(4), or six and one half percent (6 1/2%), and (ii) without regard to any mortality factors or related probabilities. The Employment Agreement provides for the payment of a Gross-Up Payment (as defined therein) with respect to amounts payable under this Agreement to the extent that such amounts give rise to an Excise Tax (as

defined in the Employment Agreement). Accordingly, to the extent that the provisions of this Agreement or amounts payable hereunder give rise to an Excise Tax, the Company shall pay to the Executive a Gross-Up Payment pursuant to the Employment Agreement at the earlier of the time that said amounts are paid to the Executive, or the time when any Excise Tax relating to said amounts becomes due and payable. Nothing in this Agreement shall be construed to obligate the Company to pay to the Executive any additional Gross-Up Payments relating to this Agreement and the payments hereunder to the extent that said Gross-Up Payments are paid to the Executive pursuant to the terms of the Employment Agreement.

7. SMALL AMOUNTS. In the event the amount of any monthly payments provided herein shall be less than Twenty Dollars (\$20), the Company in its sole discretion may in lieu thereof pay the commuted value of such payments (calculated on the basis of the interest rate and mortality assumptions being used by The Northwestern Mutual Life Insurance Company of Milwaukee, Wisconsin, to calculate immediate annuity rates on the date of this Agreement) to the person entitled to such payments.

8. BENEFICIARY. The Beneficiary (or Beneficiaries) of any payments to be made after Executive's death shall be as designated by Executive and shown on Exhibit A attached hereto or such other person or persons as Executive shall designate in writing to the Company. If Executive has made no effective designation of Beneficiaries, any such payments shall be made to Executive's estate.

9. RESTRICTION AND NON-COMPETITION. Executive shall not for a period of two years following Executive's employment with the Company, either directly or indirectly, accept employment with, render service, assistance or advice to, own, manage, operate, control or participate in the ownership, or allow his name to be used by any competitor of the Company unless approved by the Board of Directors of the Company. Determination by the Board of Directors of the Company that Executive has engaged in any such activity shall be binding and conclusive on all parties, and in addition to all other rights and remedies which Company shall have, neither Executive nor Beneficiary shall be entitled to any payments hereunder.

10. INSURANCE. If Company shall elect to purchase a life insurance contract to provide Company with funds to make payments hereunder, Company shall at all times be the sole and complete owner and beneficiary of such contract, and shall have the unrestricted right to use all amounts and exercise all options and privileges there under without knowledge or consent of Executive or Beneficiary or any other person, it being expressly agreed that neither Executive nor Beneficiary nor any other person shall have any right, title or interest whatsoever in or to any such contract.

11. SOURCE OF PAYMENTS. Executive, Beneficiary and any other person or persons having or claiming a right to payments hereunder or to any interest in this Agreement shall rely solely on the unsecured promise of Company set forth herein, and nothing in this Agreement shall be construed to give Executive, Beneficiary or any other person or persons any right, title, interest or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever owned by Company or in which it may have any right, title or interest now or in the future, but

Executive shall have the right to enforce his claim against Company in the same manner as any unsecured creditor.

12. AMENDMENT. This Agreement may be amended at any time or from time to time by written agreement of the parties.

13. ASSIGNMENT. Neither Executive, nor Beneficiary, nor any other person entitled to payments hereunder shall have power to transfer, assign, anticipate, mortgage or otherwise encumber in advance any of such payments, nor shall such payments be subject to seizure for the payment of public or private debts, judgments, alimony or separate maintenance, or be transferable by operation of law in event of bankruptcy, insolvency or otherwise.

14. BINDING EFFECT. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns. The Company agrees it will not be a party to any merger, consolidation or reorganization, unless and until its obligations hereunder shall be expressly assumed by its successors.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

WACKENHUT CORRECTIONS CORPORATION

/s/ George R. Wackenhut

George R. Wackenhut
Chairman

EXECUTIVE

/s/ Wayne H. Calabrese

Wayne H. Calabrese
President & Chief Operating Officer

Approved by a majority of the members of the Company Nominating & Compensation Committee at a duly convened meeting of that committee held on the 7th day of March 2002.

/s/ Benjamin R. Civiletti

Mr. Benjamin R. Civiletti, Chairman

/s/ Richard H. Glanton

Mr. Richard H. Glanton, Member

EXECUTIVE RETIREMENT AGREEMENT

THIS RETIREMENT AGREEMENT (this "Agreement") is entered into effective the 7th day of March 2002 by and between Wackenhut Corrections Corporation ("Company") and John G. O'Rourke ("Executive"), or collectively, "the Parties", and supersedes and replaces any prior written retirement agreement between the Parties.

WHEREAS, Executive and Company have previously entered into an Executive Severance Agreement (the "Severance Agreement") and Wackenhut Corrections Corporation Retirement Agreement (the "Prior Retirement Agreement"), both effective May 4, 2001, whereby, INTER ALIA, the Executive is to receive certain payments and benefits upon a Change in Control (as defined in the Severance Agreement) and subsequent termination of Executive's employment by the Company within a one year period following the date of a Change in Control, or by the resignation of Executive following a date that is more than one year, but less than two years, following the date of a Change in Control; and

WHEREAS, The Wackenhut Corporation (TWC), a company listed on the New York Stock Exchange and majority owner of Company, and Group 4 Falck, a Danish company registered on the Copenhagen Exchange, have announced an intention to merge TWC with a subsidiary of Group 4 Falck, and the announced merger, if completed, will constitute a Change of Control under the terms of the Severance Agreement and the terms of this Agreement; and

WHEREAS, the Executive and Company wish to cancel and terminate the Prior Retirement Agreement and replace the Prior Retirement Agreement with this Agreement in order to facilitate the continued employment of Executive under restructured terms and conditions that will benefit the Company and better achieve the objectives of Executive and Company as further set forth herein in the event of a Change in Control (whether such Change in Control is the result of the announced intended merger of TWC with a subsidiary of Group 4 Falck, or in the event such announced merger is not consummated, as a result of a subsequent transaction constituting a Change in Control as defined below); and

WHEREAS, Executive and Company are entering into an Executive Employment Agreement (the "Employment Agreement") contemporaneously with this Agreement; and

WHEREAS, the basic terms and conditions of this Agreement and the Employment Agreement were reviewed and approved by the Board of Directors of WCC and the Nominating and Compensation Committee members of the Board of Directors of WCC at a meeting held on the of March 7, 2002;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. EMPLOYMENT. Company currently employs Executive as Senior Vice President, Chief Financial Officer & Treasurer. Executive will devote his full energy, skill and best efforts to the affairs of Company on a full-time basis.

2. RETIREMENT DATE. Executive is eligible to retire upon Executive's 60th birthday, which is August 1, 2010 (the "Retirement Date").

3. TERMINATION. Either Company or Executive may terminate Executive's employment at any time and for any reason upon ten (10) days written notice to the other in accordance with the terms and conditions set forth in the Employment Agreement.

4. RETIREMENT RIGHTS FULLY VESTED. Notwithstanding the termination of Executive's employment with the Company for any reason whatsoever, Executive's rights hereunder are fully vested.

5. RETIREMENT PAYMENT/CONTINUED EMPLOYMENT. Upon the Retirement Date, Company will pay to Executive, or in the event of Executive's death following the Retirement Date, to Executive's Beneficiary(ies) or Estate, \$12,500.00 monthly for three hundred (300) consecutive months (the "Retirement Payments"). In the event Executive dies prior to the Retirement Date (except as set forth in Section 6), Executive's Beneficiary(ies) or Estate shall receive \$6,250.00 for one hundred fifty (150) consecutive months. Executive's continued employment with the Company beyond the Retirement Date shall not affect Executive's right to receive the Retirement Payments as set forth herein. Executive shall not be entitled to any further Retirement Payments beyond what is due hereunder by reason of Executive's continued employment beyond the Retirement Date.

6. CHANGE IN CONTROL. Upon the occurrence of a "Change in Control" (as defined in the Employment Agreement between Executive and Company entered into contemporaneously with this Agreement, which definition is incorporated by reference as though fully rewritten herein), the Executive's Retirement Date shall automatically be changed for all purposes to August 1, 2005 or, in the event a Change in Control occurs after August 1, 2005 but before August 1, 2010, upon the actual date of Change in Control. If a Change in Control occurs, the Company shall, upon the Retirement Date (as automatically accelerated herein), pay to Executive, or in the event that Executive dies following a Change in Control but prior to the Retirement Date to Executive's Beneficiary(ies) or Estate, the present value of the Retirement Payments, determined after giving effect to the acceleration of the Retirement Date to August 1, 2005 or, in the event a Change in Control occurs after August 1, 2005 but before August 1, 2010, after giving effect to the acceleration of the Retirement Date to the actual date of Change in Control. If a Change in Control occurs after August 1, 2010, the Company shall pay to Executive the present value of the then unpaid Retirement Payments. The present value of the Retirement Payment shall be calculated (i) using discount rates equal to the lower of the applicable rates provided in Internal Revenue Code Section 280G(d)(4), or six and one half percent (6 1/2%), and (ii) without regard to any mortality factors or related probabilities. The Employment Agreement provides for the payment of a Gross-Up Payment (as defined therein) with respect to amounts payable under this Agreement to the extent that such amounts give rise to an Excise Tax (as defined in the

Employment Agreement). Accordingly, to the extent that the provisions of this Agreement or amounts payable hereunder give rise to an Excise Tax, the Company shall pay to the Executive a Gross-Up Payment pursuant to the Employment Agreement at the earlier of the time that said amounts are paid to the Executive, or the time when any Excise Tax relating to said amounts becomes due and payable. Nothing in this Agreement shall be construed to obligate the Company to pay to the Executive any additional Gross-Up Payments relating to this Agreement and the payments hereunder to the extent that said Gross-Up Payments are paid to the Executive pursuant to the terms of the Employment Agreement.

7. SMALL AMOUNTS. In the event the amount of any monthly payments provided herein shall be less than Twenty Dollars (\$20), the Company in its sole discretion may in lieu thereof pay the commuted value of such payments (calculated on the basis of the interest rate and mortality assumptions being used by The Northwestern Mutual Life Insurance Company of Milwaukee, Wisconsin, to calculate immediate annuity rates on the date of this Agreement) to the person entitled to such payments.

8. BENEFICIARY. The Beneficiary (or Beneficiaries) of any payments to be made after Executive's death shall be as designated by Executive and shown on Exhibit A attached hereto or such other person or persons as Executive shall designate in writing to the Company. If Executive has made no effective designation of Beneficiaries, any such payments shall be made to Executive's estate.

9. RESTRICTION AND NON-COMPETITION. Executive shall not for a period of two years following Executive's employment with the Company, either directly or indirectly, accept employment with, render service, assistance or advice to, own, manage, operate, control or participate in the ownership, or allow his name to be used by any competitor of the Company unless approved by the Board of Directors of the Company. Determination by the Board of Directors of the Company that Executive has engaged in any such activity shall be binding and conclusive on all parties, and in addition to all other rights and remedies which Company shall have, neither Executive nor Beneficiary shall be entitled to any payments hereunder.

10. INSURANCE. If Company shall elect to purchase a life insurance contract to provide Company with funds to make payments hereunder, Company shall at all times be the sole and complete owner and beneficiary of such contract, and shall have the unrestricted right to use all amounts and exercise all options and privileges there under without knowledge or consent of Executive or Beneficiary or any other person, it being expressly agreed that neither Executive nor Beneficiary nor any other person shall have any right, title or interest whatsoever in or to any such contract.

11. SOURCE OF PAYMENTS. Executive, Beneficiary and any other person or persons having or claiming a right to payments hereunder or to any interest in this Agreement shall rely solely on the unsecured promise of Company set forth herein, and nothing in this Agreement shall be construed to give Executive, Beneficiary or any other person or persons any right, title, interest or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever owned by Company or in which it may have any right, title or interest now or in the future, but

Executive shall have the right to enforce his claim against Company in the same manner as any unsecured creditor.

12. AMENDMENT. This Agreement may be amended at any time or from time to time by written agreement of the parties.

13. ASSIGNMENT. Neither Executive, nor Beneficiary, nor any other person entitled to payments hereunder shall have power to transfer, assign, anticipate, mortgage or otherwise encumber in advance any of such payments, nor shall such payments be subject to seizure for the payment of public or private debts, judgments, alimony or separate maintenance, or be transferable by operation of law in event of bankruptcy, insolvency or otherwise.

14. BINDING EFFECT. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns. The Company agrees it will not be a party to any merger, consolidation or reorganization, unless and until its obligations hereunder shall be expressly assumed by its successors.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

WACKENHUT CORRECTIONS CORPORATION

/s/ George R. Wackenhut

George R. Wackenhut
Chairman

EXECUTIVE

/s/ John G. O'Rourke

John G. O'Rourke
Senior Vice President, Chief Financial
Officer & Treasurer

Approved by a majority of the members of the Company Nominating & Compensation Committee at a duly convened meeting of that committee held on the 7th day of March 2002.

/s/ Benjamin R. Civiletti

Mr. Benjamin R. Civiletti, Chairman

/s/ Richard H. Glanton

Mr. Richard H. Glanton, Member