SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended JANUARY 2, 2000

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)

REGISTRANT'S TELEPHONE NUMBER (INCLUDING AREA CODE): (561) 622-5656

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $0.01 Par Value	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
None	None

Indicate by a 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 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

At March 7, 2000, the aggregate market value of the 10,386,222 shares of Common Stock held by non-affiliates of the registrant was $104,519,107. At March 7, 2000, there were outstanding 22,386,992 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the Registrant's Proxy Statement for its 1999 Annual Meeting of Shareholders are incorporated by reference in Part III of this report.

Parts of the Registrant's Annual Report to Shareholders for the fiscal year ended January 2, 2000 are incorporated by reference into Parts II and IV of this report.

EXHIBIT INDEX IS LOCATED ON PAGE 28

PART I

ITEM 1. BUSINESS

THE COMPANY

Wackenhut Corrections Corporation ("the Company"), a 56% owned subsidiary of The Wackenhut Corporation ("TWC"), is an industry leader in the privatization of correctional facilities throughout the world. The Company was founded in 1984 as a division of TWC, a leading provider of professional security services. In 1986, the Company received its first contract, from the United States Immigration and Naturalization Service (the "INS"), to design, construct and manage a detention facility with a design capacity of 150 beds. As of January 2, 2000, the Company had 56 correctional, detention and healthcare facilities either under contract or award with an aggregate design capacity of 39,930 beds. Of these 56 facilities, 50 are currently in operation, and six are being developed by the Company. Of the facilities being developed, three are expected to commence operations during 2000 (two in the second quarter and one in the third quarter).* In addition, at January 2, 2000, the Company had outstanding written responses to Requests for Proposal ("RFPs") for three projects with an aggregate design capacity of 4,100 beds.

The Company offers governmental agencies a comprehensive range of correctional and related institutional services to federal, state, local and overseas government agencies. Correctional services include the management of a broad spectrum of facilities, including male and female adult facilities; juvenile facilities; community corrections; work programs; prison industries; substance abuse treatment facilities; and mental health, geriatric and other special purpose institutions. Other management contracts include psychiatric health care, electronic home monitoring, prisoner transportation, correctional health services, and facility maintenance. The Company has an in-house capability for the design and construction of new facilities, and offers a full privatization package to government agencies, to include financing. The Company believes that its experience in delivering governmental agencies high quality, cost-effective correctional and related institutional services provides such agencies strong incentive to select the Company when renewing and awarding contracts.

On November 1, 1998, the Company began management of the 350-bed South Florida State Psychiatric Hospital, representing a historic milestone for public sector mental health services and a significant diversification of the Company's service offerings.

The Company has obtained and is pursuing construction and management contracts for correctional and detention facilities outside the United States and presently operates facilities in the United Kingdom and Australia. Through its wholly-owned subsidiary in Australia, Wackenhut Corrections Corporation Australia Pty Limited ("WCCA"), the Company manages four correctional facilities, six immigration detention centers, one correctional Health Care Services entity and one court escort contract. In the United Kingdom, the Company formed two joint ventures to pursue construction and management contracts for privatized correctional and detention facilities. Premier Custodial Group Limited ("PCG") a joint venture with Serco Limited, currently manages four correctional facilities, two court escort contracts and two electric monitoring services contracts and will commence management of one additional correctional facility. Under court escort contracts, a private company, on behalf of a governmental agency, transports prisoners between police stations, prisons and courts and is responsible for the custody of such prisoners during transportation and court appearances. Electronic monitoring services involve the electronic tagging of offenders sentenced to home incarceration. In February 1994, through Wackenhut Corrections (UK) Limited, the Company formed Premier Custodial Development ("PCD"), as a joint venture with a wholly-owned subsidiary of Kvaerner Construction Limited, for the design and construction of new detention facilities and prisons. The Company expects that PCD will bid

* See note on page three regarding forward-looking statements.

with PCG for the design, construction management and finance of new correctional and detention facilities in the United Kingdom.

In the majority of contracts, the Company manages facilities owned or leased by a governmental agency. The agency may finance the construction of such facilities through various methods including, but not limited to, the following: (i) a one time general revenue appropriation by the governmental agency for the cost of the new facility; (ii) general obligation bonds that are secured by either a limited or unlimited tax levy by the issuing entity; or (iii) lease revenue bonds or certificates of participation secured by an annual lease payment that is subject to annual or bi-annual legislative appropriations. In some instances, the Company may be required to own and/or finance the facility. The construction of these facilities will be financed through various methods including, but not limited to the following: (i) funds from equity offerings of the Company's stock; (ii) borrowings from banks or other institutions; or (iii) lease arrangements with third parties.

The Company was incorporated in Florida in April, 1988. The Company's principal executive offices are located at 4200 Wackenhut Drive #100, Palm Beach Gardens, Florida 33410-4243, and its telephone number is (561) 622-5656.

See the Company's Consolidated Financial Statements on pages 28 through 31 and Note 8 of Notes to Consolidated Financial Statements on pages 35 and 36 of the Company's 1999 Annual Report to Shareholders for financial information regarding domestic and international operations.

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. Except for historical matters, the matters discussed in this Form 10-K contain forward-looking statements that are based on current expectations and are subject to a number of risks and uncertainties. Actual results could differ materially from current expectations due to a number of factors, including but not limited to: general economic conditions; competitive factors and pricing pressures; shifts in market demand; the performance and needs of clients served by the Company; actual future costs of operating expenses; self-insurance claims and employee wages and benefits; possible changes in ownership positions of the Company's subsidiaries; and such other risks which may be described from time to time in the Company's SEC filings. These statements are marked with an " * ".

FACILITIES

The following table summarizes certain information with respect to facilities currently under management contract or award for management by the Company (or a subsidiary or joint venture of the Company) at January 2, 2000.

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Commencement of Current Contract	Term	Renewal Option
CORRECTIONAL FACILITIES							
FEDERAL GOVERNMENT CONTRACTS:							
Aurora INS Processing Center, Aurora, Colorado (6)	Construction/ Management	300	INS Detention Facility	Minimum/ Medium	May 1999	1 year	Three One-year
Queens Private Correctional Facility, Queens, New York (6)	Construction/ Management	200	INS Detention Facility	Minimum/ Medium	June 1999	1 year	One, One-year
Taft Correctional Institution Taft, California	Management	2,048	Federal Prison	Low/ Minimum	August 1997	3 years	Seven, One-year
STATE GOVERNMENT CONTRACTS:							
Allen Correctional Center Kinder, Louisiana	Management	1,538	State Prison	Medium/ Maximum	December 1998	2 years	None
Bayamon Correctional Facility Bayamon, Puerto Rico	Design/ Construction/ Consultation/ Management	500	State Prison	Medium	March 1997	5 years	One, Five-year
Bridgeport Correctional Center Bridgeport, Texas	Construction/ Management	520	Pre-Release Center	Minimum	September 1995	5 years	None
Central Texas Parole Violator Facility San Antonio, Texas	Renovation/ Management	623	Parole Violator Facility/U.S. Marshal and INS Detention Facility	All levels	September 1999	Varies (1)	Varies (1)
Central Valley Community Correctional Facility McFarland, California (6)	Design/ Construction/ Management	550	State Community Correctional Facility	Medium	December 1997	10 years	None
Charlotte County Correctional Facility Charlotte County, Virginia	Design/ Construction/ Management	1,000	State Prison	Medium	3rd Quarter 2002* (Estimated)	(2)	(2)
Cleveland Correctional Center Cleveland, Texas	Management	520	State Prison	Minimum	January 1999	1 2/3 years	Two One-year

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Commencement of Current Contract	Term	Renewal Option
Coke County Juvenile Justice Facility Coke County, Texas	Design/ Construction/ Management	200	Juvenile Offender Facility	Medium/ Maximum	March 1999	2 years	Unlimited, Two-year
Desert View Community Correctional Facility Adelanto, California (6)	Design/ Construction/ Management	568	State Community Correctional Facility	Medium	December 1997	10 years	None
East Mississippi Correctional Facility Meridian , Mississippi	Design/ Construction/ Management	500	Mental Health Correctional Facility	All levels	April 1999	5 years	One, Two-year
Golden State Community Correctional Facility McFarland, California (6)	Design/ Construction/ Management	550	State Community Correctional Facility	Medium	December 1997	10 years	None
Guadalupe County Correctional Facility Santa Rosa, New Mexico (6)	Design/ Construction/ Management	600	State Prison	All levels	January 1999	3 years	Annual
John R. Lindsey Correctional Facility Jack County, Texas	Design/ Consultation/ Management	1,031	State Jail Facility	Minimum/ Medium	September 1998	3 years	Two One-year
Karnes County Correctional Center Karnes City, Texas (6)	Management	579	State Prison/ U.S. Marshal and INS Detention Facility	Minimum/ Medium	September 1999	Varies (1)	Varies (1)
Kyle Correctional Facility (New Vision) Kyle, Texas (3)	Construction/ Management/ Chemical Dependency Treatment	520	State Prison/ In-Prison Chemical Dependency Treatment Center	Minimum	September 1995	5 years	None
Lawton Correctional Facility Lawton, Oklahoma (6)	Design/ Construction/ Management	1,800	State Prison	All levels	July 1999	1 year	Three One-Year
Lea County Correctional Facility Hobbs, New Mexico (6)	Design/ Construction/ Management	1,200	State Prison	All levels	May 1998	3 years	Annual
Lockhart Renaissance Facility Lockhart, Texas	Design/ Construction/ Management	500	Work Program Facility	Minimum	January 1999	1 year	Four One-year
Lockhart Secure Work Program Facility Lockhart, Texas	Design/ Construction/ Management	500	Work Program Facility	Minimum	January 1999	1 year	Four One-year
Marshall County Correctional Facility Holly Springs, Mississippi	Design/ Construction/ Management	1,000	State Prison	Medium	June 1996	5 years	Unlimited, Two-year
McFarland Community Correctional Facility McFarland, California (6)	Construction/ Management	224	State Community Correctional Facility	Minimum	February 1999	2 1/2 years	None
Michigan Youth Correctional Facility Baldwin, Michigan	Design/ Construction/ Management	480	Juvenile	Maximum	July 1999	4 years	Two, Four-year

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Commencement of Current Contract	Term	Renewal Option
Moore Haven Correctional Facility Moore Haven, Florida	Design/ Construction/ Management	750	State Prison	Medium	July 1998	2 years	Unlimited, Two-year
North Texas Intermediate Sanction Facility Fort Worth, Texas	Renovation/ Management	400	Intermediate Sanction Facility	Minimum	September 1999	1 year	None
Ronald McPherson Correctional Facility Newport, Arkansas	Design/ Construction/ Management	600	State Prison	All levels	July 1999	2 years	Unlimited, Two-year
Scott Grimes Correctional Facility Newport, Arkansas	Design/ Construction/ Management	600	State Prison	All levels	July 1999	2 years	Unlimited, Two-year
South Bay Correctional Facility South Bay, Florida	Design/ Construction/ Management	1,436	State Prison (9)	Medium/ Close Custody	February 1997	3 years	Unlimited, Two-year
Willacy County Unit Raymondville, Texas	Design/ Consultation/ Management	1,000	State Jail Facility	Minimum	September 1998	3 years	Two One-year
Val Verde Correctional Facility Del Rio, Texas	Design/ Construction/ Management	784	Local Detention Facility/County Jail	All levels	3rd Quarter 2000* (Estimated)	(2)	None
LOCAL GOVERNMENT CONTRACTS:							
Broward County Work Release Center Broward County, Florida (6)	Design/ Construction/ Management	300	Community Work Release Center	Non-secure	February 1998	5 years	Unlimited, Two-year
George W. Hill Correctional Facility Thornton, Pennsylvania	Design/ Construction/ Management	1,562	County Jail Facility	All levels	July 1998	5 years	None
Jena Juvenile Justice Center Jena, Louisiana	Design/ Construction/ Management	276	Juvenile Center	All levels	December 1998	25 years	None
San Diego Detention Facility San Diego, California	Renovation/ Management	876	Local Detention Facility	Maximum	2nd Quarter 2000* (Estimated)	15 years	None
INTERNATIONAL CONTRACTS:							
Arthur Gorrie Correctional Centre Wacol, Australia	Management	945	Reception and Remand Centre	All levels	July 1992	10 years	None
H.M Prison Ashfield Pucklechurch, UK	Management	400	Youth Prison	Medium/ Maximum	November 1999	25 years	None
Auckland Central Remand Prison Auckland, New Zealand	Management	384	National Prison	Medium/ Maximum	2nd Quarter 2000* (Estimated)	5 years	None

* See note on page three regarding Forward-looking statements.

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Commencement of Current Contract	Term	Renewal Option
Court Escort & Custody Service West Midlands, England	Management	NA	Court Custody/ Transport-Escort	All levels	June 1996	6 1/2 years	None
Court Escort & Custody Service South East Area, England	Management	NA	Court Custody/ Transport-Escort	All levels	May 1996	6 1/2 years	None
Curtin Immigration Reception & Processing Centre Derby, Western Australia	Management	1000	Immigration Detention	All levels	October 1999	3 years (7)	Two Three-year
Hassockfield Secure Training Centre Medomsley, England	Design/ Construction/ Management	40	Youth Training Centre	Medium	September 1999	15 years	None
H.M. Prison and Youth Offender Institution Doncaster Doncaster, England	Management	1,111	National Prison	All levels	October 1999	10 years	None
Fulham Correctional Centre Victoria, Australia	Design/ Consultation/ Management	660	State Prison	Minimum/ Medium	March 1997	5 years	Five Three-year
Junee Correctional Centre Junee, Australia	Construction/ Management	600	State Prison	Minimum/ Medium	April 1999	2 years	None
H.M. Prison Kilmarnock Kilmarnock, Scotland	Management	500	National Prison	All levels	March 1999	25 years	None
H.M. Prison Lowdham Grange Nottinghamshire, England	Management	524	National Prison	Medium	February 1998	25 years	None
Louis Trichardt Maximum Security Prison Northern Province, Republic of South Africa	Design/ Construction/ Management	3,024	National Prison	Maximum	1st Quarter 2002* (Estimated)	(2)	None
Maribyrnong Immigration Detention Centre Melbourne, Australia	Management	80	Immigration Detention	All levels	December 1997	3 years	Two Three-year
Melbourne Custody Centre, Melbourne, Australia	Management	80	Court Security/ Custody Centre	N/A	September 1998	3 years	None
H. M. Prison Moreton Lane Marchington, England	Design/ Construction/ Management	800	National Prison and Therapeutic Community	Medium	3rd Quarter 2001* (Estimated)	25 years	None
New Brunswick Youth Centre (4) New Brunswick, Canada	Design/ Consultation/ Maintenance	N/A	Province Juvenile Facility	All levels	October 1997	25 years	None
Pacific Shores Healthcare Victoria, Australia (8)	Management	N/A	Health Care Services	N/A	January 1998	3 years	Two One-year
Perth Immigration Detention Centre Perth, Australia	Management	40	Immigration Detention	All levels	December 1997	3 years	Two Three-year
Port Hedland Immigration Reception & Processing Centre Port Hedland, Australia	Management	700	Immigration Detention	All levels	December 1997	3 years	Two Three-year

* See note on page three regarding Forward-looking statements.

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Commencement of Current Contract	Term	Renewal Option
Premier Monitoring Services Limited Norfolk, England	Management	N/A	Home Detention Services	Non-secure	January 1999	5 years	None
Villawood Immigration Detention Centre Sydney, Australia	Management	300	Immigration Detention	All levels	November 1997	3 Years	Two Three- year
Woomera Immigration Reception & Processing Centre Woomera, South Australia	Management	1000	Immigration Detention	All levels	November 1999	3 years (7)	Two Three-year
OTHER FACILITIES							
South Florida State Hospital Pembroke Pines, Florida	Design/ Construction/ Management	350	State Psychiatric Hospital	N/A	November 1998	5 years	Three Five-year
Atlantic Shores Hospital Fort Lauderdale, Florida	Management	72	Psychiatric Hospital	N/A	(5)	(5)	(5)

(1) This facility is occupied by inmates under several contracts with varying terms and renewal options. The terms of these contracts range from two weeks to an indefinite period and the renewal option features range from no option to unlimited renewals.

(2) Contract terms have yet to be negotiated.

(3) The Company operates a chemical dependency treatment center located in this facility under a separate contract. This contract is for a one-year term expiring August 31, 2000.

(4) The Company holds a contract for maintenance only of this facility.

(5) The Company purchased this facility and provides services on an individual patient basis, therefore, there are no contracts with government agencies subject to terms and/or renewals.

(6) The Company leases these facilities from Correctional Properties Trust.

(7) This facility represents additional services under the current detention services contractual agreement with the Department of Immigration and Multicultural Affairs (DIMA), and is subject to a six-week termination clause depending on client needs.

(8) The Company provides comprehensive healthcare services to 9 government-operated prisons under this contract.

(9) The Company provides detention services to 152 detainees being held under the provisions of Florida's "Jimmy Ryce Act" at the South Bay Facility in South Bay, Florida.

In April 1998 the Company sold three facilities owned by it and the rights to acquire four other facilities to Correctional Properties Trust ("CPV"), a Maryland real estate investment trust. CPV purchased an eighth facility directly from a government entity. In October, 1998 the Company sold the completed portion of a ninth facility to CPV. During Fiscal 1999, CPV acquired a 600-bed expansion of the ninth facility and the right to acquire a tenth facility. Subsequent to January 2, 2000, CPV purchased an eleventh facility that the Company had the right to acquire. The facilities were then leased to the Company under operating leases.
See Item 2 - "Properties."

The Company offers services that go beyond simply housing inmates. The Company's wide array of in-facility rehabilitative and educational programs differentiates it from many competitors who lack the experience or resources to provide such programs. Inmates at most facilities managed by the Company can also receive basic education through academic programs designed to improve inmates' literacy levels and to offer the opportunity to acquire General Education Development ("GED") certificates. Most Company-managed facilities also offer vocational training for in-demand occupations to inmates who lack marketable job skills. In addition, most Company-managed facilities offer life skills/transition planning programs that provide inmates job search training and employment skills, anger management skills, health education, financial responsibility training, parenting skills and other skills associated with becoming productive citizens. For example, at the Lockhart Work Program Facility, Lockhart, Texas, the Company, as part of its job training program, recruited firms from private industry to employ inmates at the facility. Inmates who participate in such programs receive job skills training and are paid at least the minimum wage. The inmates' earnings are used to compensate victims, defray the inmates' housing costs and support their dependents. This program is being expanded to the Company's correctional facilities in South Bay and Moore Haven, Florida. The Company also offers counseling, education and/or treatment to inmates with alcohol and drug abuse problems at thirty-three of the facilities it manages. The Company believes that its program at the Kyle New Vision Chemical Dependency Treatment Center is the largest privately managed in-prison program of this nature in the United States.

The Company operates each facility in accordance with the Company-wide policies and procedures and with the standards and guidelines required under the relevant contract. For many facilities, the standards and guidelines include those established by the American Correctional Association ("ACA"). The ACA, an independent organization of corrections professionals, establishes correctional facility standards and guidelines that are generally acknowledged as a benchmark by governmental agencies responsible for correctional facilities. Many of the Company's contracts for facilities in the United States require the Company to seek accreditation of the facility. The Company has sought and received ACA accreditation for eighteen of the facilities it manages.

Contracts to design and construct or to redesign and renovate facilities may be financed in a variety of ways. See also "Business -Facility Design, Construction and Finance." If the project is financed using direct governmental appropriations, using proceeds of the sale of bonds or other obligations issued prior to the award of the project or by the Company directly, then financing is in place when the contract relating to the construction or renovation project is executed. If the project is financed using project-specific tax-exempt bonds or other obligations, the construction contract is generally subject to the sale of such bonds or obligations. Generally, substantial expenditures for construction will not be made on such a project until the tax-exempt bonds or other obligations are sold; and, if such bonds or obligations are not sold, construction and, therefore, management of the facility may either be delayed until alternative financing is procured or development of the project will be entirely suspended. If the project is self-financed by the Company, then financing is in place prior to the commencement of construction.

When the Company is awarded a facility management contract, appropriations for the first annual or bi-annual period of the contract's term have generally already been approved, and the contract is subject to governmental appropriations for subsequent annual or bi-annual periods.

FACILITY MANAGEMENT CONTRACTS

Other than listed in the following table, no other single customer accounted for 10% or more of the Company's total revenues for Fiscal 1999, 1998, and 1997.

Customer	1999	1998	1997
Various agencies of the State of Texas...	19%	25%	32%
State of Florida Correctional Privatization Committee	19%	11%	13%

Except for its contract for the Taft Correctional Institution, South Florida State Hospital, and the facilities in the United Kingdom and Australia, all of which provide for fixed monthly rates, the Company's facility management contracts provide that the Company is compensated at an inmate or patient per diem rate based upon actual or guaranteed occupancy levels. Such compensation is invoiced in accordance with applicable law and is paid on a monthly basis. All of the Company's contracts are subject to either annual or bi-annual legislative appropriations. A failure by a governmental agency to receive appropriations could result in termination of the contract by such agency or a reduction of the management fee payable to the Company. To date, the Company has not encountered a situation where appropriations have not been made to a governmental agency with regard to the Company's contracts, although no assurance can be given that the governmental agencies will continue to receive appropriations in all cases.

The Company's facility management contracts typically have original terms ranging from one to ten years and give the governmental agency at least one renewal option, generally for a term ranging from one to five years. The following table summarizes the number of the Company's contracts expiring each year:

EXPIRATION	NUMBER OF CONTRACTS
2000	17
2001	10
2002	7
2003	4
2004	1
Thereafter	14
	53

Refer to "Business-Facilities" table for detail of the renewal options for these contracts. The remainder of the Company's contracts are either in negotiation currently or have varied renewal options that are dependent upon the agency contracted with, the type of inmate, and other factors. Except as described below, to date, all renewal options under the Company's management contracts have been exercised. However, in connection with the exercise of the renewal option, the contracting government agency or the Company typically has requested changes or adjustments to the contract terms.

The Company's contracts typically allow a contracting governmental agency to terminate a contract for cause by giving the Company written notice ranging from 30 to 180 days. No contracts have been terminated prior to the end of the contract term, except for the Company's contract for the operation of the Travis County Community Justice Center. This contract was discontinued in 1999 based on the mutual decision between the Company, the Texas Department of Criminal Justice State Jail Division and Travis County, Texas. The Company also had a contract that did not extend for the full term, which was for the management of the Monroe County, Florida jail. By mutual agreement of the Company and the Monroe County Board of Commissioners, the contract was discontinued in 1990 on an amicable basis.

In addition, in connection with the Company's management of such facilities, the Company is required to comply with all applicable local, state and federal laws and related rules and regulations. The Company's contracts typically require it to maintain certain levels of insurance coverage for general liability, workers' compensation, vehicle liability, and property loss or damage. If the Company does not maintain the required categories and levels of coverage, the contracting governmental agency may be permitted to terminate the contract. Presently, the Company, through TWC, has general liability insurance coverage of $55 million per occurrence and in the aggregate. See "Business -- Insurance." In addition, the Company is required under its contracts to indemnify the contracting governmental agency for all claims and costs arising out of the Company's management of facilities and in some instances the Company is required to maintain performance bonds.

FACILITY DESIGN, CONSTRUCTION AND FINANCE

The Company provides governmental agencies consultation and management services relating to the design and construction of new correctional and detention facilities and the redesign and renovation of older facilities. As of January 2, 2000, the Company has provided service for the design and construction of twenty-eight facilities and for the redesign and renovation of two facilities and has contracts to design and construct four new facilities and renovate one new facility. The Company is willing to perform consultation and management services for the design and construction or redesign and renovation of a facility regardless of whether it has been awarded the contract for the management of such facility. See table in "Business - Facilities."

Under its construction and design management contracts, the Company agrees to be responsible for overall project development and completion. The Company makes use of an in-house staff of architects and operational experts from various corrections disciplines (e.g., security, medical service, food service, inmate programs and facility maintenance) as part of the decision team that participates from conceptual design through final construction of the project. When designing a facility, the Company's architects seek to utilize, with appropriate modifications, prototype designs the Company has used in developing prior projects. The Company believes that the use of such proven designs allows it to reduce cost overruns and construction delays and to reduce the number of guards required to staff a facility, thus controlling costs both to construct and to manage the facility. Security is maintained because the Company's facility designs increase the area of vision under surveillance by guards and make use of additional electronic surveillance.

The Company typically acts as the primary developer on construction contracts for facilities and subcontracts with local general contractors. Where possible, the Company subcontracts with construction companies with which it has previously worked. The Company has an in-house team of design, construction and prison security experts that coordinate all aspects of the development with subcontractors and provide site-specific services. It has been the Company's experience that it typically takes 9 to 24 months to construct a facility after the contract is executed and financing approved.

The Company may also propose to contracting governmental agencies various financing structures for construction finance. The governmental agency may finance the construction of such facilities through various methods including, but not limited to, the following: (i) a one time general revenue appropriation by the government agency for the cost of the new facility, (ii) general obligation bonds that are secured by either a limited or unlimited tax levy by the issuing governmental entity, or (iii) lease revenue bonds or certificates of participation secured by an annual lease payment that is subject to annual or bi-annual legislative appropriations. The Company may also act as a source of financing or as a broker in any regard with respect to any financing. In these cases, the construction of such facilities may be financed through various methods including, but not limited to, the following: (i) funds from equity offerings of the Company's stock; (ii) borrowing from banks or other institutions; or (iii) lease arrangements with third parties. Of the 56 facilities managed or contracted to be managed by the Company, 38 are funded using one of the above-described financing vehicles, and 18 are or will be directly leased. However, alternative financing arrangements may be required for certain facilities. A growing trend in the correctional and detention industry requires private operators to make capital investments in new facilities and enter into direct financing arrangements in connection with the development of such facilities. By participating in such projects, private operators achieve economic benefits and tax advantages that are not typically available in connection with more traditional arrangements.

MARKETING

The Company views governmental agencies responsible for state correctional facilities in the United States and governmental agencies responsible for correctional facilities in the United Kingdom and Australia as its primary potential customers. The Company's secondary customers include the INS, other federal and local agencies in the United States and other foreign governmental agencies.

Governmental agencies responsible for correctional and detention facilities generally procure goods and services through RFPs. A typical RFP requires bidders to provide detailed information, including, but not limited to, descriptions of the following: the services to be provided by the bidder, its experience and qualifications, and the price at which the bidder is willing to provide the services (which services may include the renovation; improvement or expansion of an existing facility; or the planning, design and construction of a new facility). As part of the Company's process of responding to RFPs, management meets with appropriate personnel from the requesting agency to best determine the prospective client's distinct needs.

If the project fits within the Company's strategy, the Company then will submit a written response to the RFP. The Company estimates that it typically spends between $50,000 and $150,000 when responding to an RFP. The Company has engaged and intends in the future to engage independent consultants. Activities of the independent consultants include assisting the Company in developing privatization opportunities and in responding to RFPs, monitoring the legislative and business climate and maintaining relationships with existing clients.

There are several critical events in the marketing process. These include issuance of an RFP by a governmental agency, submission of a response to the RFP by the Company, the award of a contract by a governmental agency and the commencement of construction or management of a facility. The Company's experience has been that a period of approximately five to ten weeks is generally required from the issuance of an RFP to the submission of the Company's response to the RFP; that between one and four months elapse between the submission of the Company's response and the agency's award for a contract; and that between one and four months elapse between the award of a contract and the commencement of construction or management of the facility. If the facility for which an award has been made must be constructed, the Company's experience is that construction usually takes between 9 and 24 months; therefore, management of a newly constructed facility typically commences between 10 and 28 months after the governmental agency's award.

BUSINESS PROPOSALS

The Company pursues both domestic and international projects. At January 2, 2000, the Company had outstanding written responses to RFPs for 3 projects with a total of 4,100 beds. The Company also is pursuing prospects for other projects for which it has not yet submitted, and may not submit, a response to an RFP. No assurance can be given that the Company will be successful in its efforts to receive additional awards with respect to any proposals submitted.

INSURANCE

Presently, the Company is named insured under a liability insurance program (the "Insurance Program") maintained by TWC. The Insurance Program includes general comprehensive liability, automobile liability and workers' compensation coverage for TWC and all of its domestic subsidiaries. The Insurance Program consists of primary and excess insurance coverage. The primary coverage consists of up to $5 million of coverage per occurrence with no aggregate coverage limit. The excess coverage consists of up to $50 million of coverage per occurrence and in the aggregate. The Company believes such limits are adequate to insure against the various liability risks of its business. The premium paid by the Company to TWC for coverage under the Insurance Program in 1999 was approximately $9.4 million, representing premiums paid to a captive reinsurance company that is wholly owned by TWC. The Company believes that the premiums it is charged under the Insurance Program are comparable to those that would be charged by a third party insurer. The facility management contracts and various state statutes require the Company to maintain such insurance and the management contracts provide that the contracting agency may terminate the contract if the Company fails to maintain the required insurance coverages. Under the Insurance Program, the first $1 million of expenses and losses per occurrence were reinsured by TWC's wholly-owned captive reinsurance company during Fiscal 1999.

EMPLOYEES AND EMPLOYEE TRAINING

At January 2, 2000, the Company had 8,922 full-time employees. Of such full-time employees, 87 were employed at the Company's headquarters and 8,835 were employed at facilities. The Company employs management, administrative and clerical, security, educational services, health services and general maintenance personnel. The Company's correctional officer employees at George W. Hill Correctional Facility (Pennsylvania), Queens Private Correctional Facility (New York), and Junee Correctional Centre, Arthur Gorrie Correctional Centre, Fulham Correctional Centre and Immigration Detention Services (Australia) are members of unions. The Company has entered into a contract with the union for the correctional officers at the Queens Private Correctional Facility and Junee Correctional Centre, however, the Company has not entered into a contract with the other two unions. Other than the contracts described above, the Company has no union contracts or collective bargaining agreements. The Company believes its relations with its employees are good.

Under the laws applicable to most of the Company's operations, and internal Company policy, the Company's corrections officers are required to complete a minimum amount of training prior to employment. At least 160 hours of training by the Company is required under most state laws before an employee is allowed to work in a position that will bring him or her in contact with inmates. Florida law requires that the correction officers receive 520 hours of training. The Company's training programs meet or exceed all applicable requirements.

The Company's training begins with approximately 40 hours of instruction regarding Company policies, operational procedures and management philosophy. Training continues with an additional 120 hours of instruction covering legal issues, rights of inmates, techniques of communication and supervision, interpersonal skills and job training relating to the particular position to be held. Each Company employee who has contact with inmates receives a minimum of 40 hours of additional training each year, and each manager receives at least 24 hours of training each year.

At least 222 hours of training is required for United Kingdom employees and 240 hours of training is required for Australian employees before such employees are allowed to work in positions that will bring them into contact with inmates. Company employees in the United Kingdom and Australia receive a minimum of 40 hours of additional training each year.

COMPETITION

The Company competes primarily on the basis of the quality and range of services offered, its experience (both domestically and internationally) in the design, construction and management of privatized correctional and detention facilities, and its reputation. The Company competes with a number of companies, including, but not limited to, Corrections Corporation of America, Correctional Services Corporation, Group 4 International Corrections Service, U.K. Detention Services, Ltd., Cornell Corrections Corporation, Securicor Group and Prison Realty Trust. Some of the Company's competitors are larger and have greater resources than the Company. The Company also competes in some markets with small local companies that may have a better knowledge of the local conditions and may be better able to gain political and public acceptance. Potential competitors can enter the Company's business without a substantial capital investment or experience in management of correctional or detention facilities. In addition, in some markets, the Company may compete with governmental agencies that are responsible for correctional facilities.

NON-U.S. OPERATIONS

Although most of the operations of the Company are within the United States, its international operations make a significant contribution to income. International operations of the Company provide correctional and detention facilities management in Australia and the United Kingdom.

A summary of domestic and international operations is presented below:

	1999	1998	1997
REVENUES			
Domestic operations	$371,333	$264,642	$167,223
International operations	67,151	48,117	39,707
Total revenues	$438,484	$312,759	$206,930
OPERATING INCOME			
Domestic operations	$ 18,939	$ 18,649	$ 12,388
International operations	7,102	3,852	4,157
Total operating income	$ 26,041	$ 22,501	$ 16,545
LONG-LIVED ASSETS			
Domestic operations	$ 39,005	$ 28,944	$ 34,061
International operations	4,355	4,061	4,693
Total long-lived assets	$ 43,360	$ 33,005	$ 38,754

The Company has affiliates (50% or less owned) that provide correctional and detention facilities management in the United Kingdom. The following table summarizes certain financial information pertaining to these unconsolidated foreign affiliates, on a combined basis, for the last three fiscal years.

(000'S)	1999	1998	1997
STATEMENT OF OPERATIONS DATA			
Revenues	$147,274	$ 91,071	$ 51,009
Operating income	11,048	7,032	3,884
Net income	6,618	4,163	2,209
BALANCE SHEET DATA			
Current Assets	$ 44,213	$ 25,274	$ 14,595
Noncurrent Assets	230,581	145,433	517
Current liabilities	26,774	17,769	8,115
Noncurrent liabilities	232,961	141,165	4,029
Stockholders' equity	15,059	11,773	2,968

BUSINESS REGULATIONS AND LEGAL CONSIDERATIONS

The industry in which the Company operates is subject to national, federal, state, and local regulations in the United States, United Kingdom, Australia and Puerto Rico which are administered by a variety of regulatory authorities. Generally, prospective providers of corrections services must be able to detail their readiness to, and must comply with, a variety of applicable state and local regulations, including education, health care and safety regulations. The Company's contracts frequently include extensive reporting requirements and require supervision and on-site monitoring by representatives of contracting governmental agencies. The Company's Kyle New Vision Chemical Dependency Treatment Center is licensed by the Texas Commission on Alcohol and Drug Abuse to provide substance abuse treatment. Certain states, such as Florida and Texas, deem correctional officers to be peace officers and require Company personnel to be licensed and subject to background investigation. State law also typically requires corrections officers to meet certain training standards.

In addition, many state and local governments are required to enter into a competitive bidding procedure before awarding contracts for products or services. The laws of certain jurisdictions may also require the Company to award subcontracts on a competitive basis or to subcontract with businesses owned by women or members of minority groups.

The failure to comply with any applicable laws, rules or regulations or the loss of any required license could have a material adverse effect on the Company's business, financial condition and results of operations. Furthermore, the current and future operations of the Company may be subject to additional regulations as a result of, among other factors, new statutes and regulations and changes in the manner in which existing statutes and regulations are or may be interpreted or applied. Any such additional regulations could have a material adverse effect on the Company's business, financial condition and results of operations.

COMMITMENTS AND CONTINGENCIES

On August 31, 1999, the Company announced the mutual decision between the Company, the Texas Department of Criminal Justice State Jail Division ("TDCJ") and Travis County, Texas to discontinue the Company's contract for the operation of the Travis County Community Justice Center. The contract was discontinued effective November 8, 1999. The Company is involved in discussions with TDCJ regarding close-out of all contract claims. The Company cannot predict the outcome of these discussions at this time.

In New Mexico, the Company has been in discussions with the State's Department of Corrections and the Legislative Finance Committee and has submitted proposed contract modifications regarding additional compensation for physical plant modification and increased staffing at Guadalupe County Correctional Facility and Lea County Correctional Facility which have been implemented by the Company. At this time no agreement has been reached regarding these contract modifications.

ITEM 2. PROPERTIES

The Company leases its corporate headquarters office space in Palm Beach Gardens, Florida, from TWC. In addition, the Company leases office space for its regional offices in Austin, Texas; Irvine, California; Lake Charles, Louisiana; and Sydney, Australia.

The Company also leases the space for the following facilities it manages under operating leases: (i) Aurora INS Processing Center; (ii) Broward County Work Release Center; (iii) Central Texas Parole Violator Facility; (iv) Central Valley Community Correctional Facility; (v) Coke County Juvenile Justice Facility; (vi) Desert View Community Correctional Facility; (vii) Golden State Community Correctional Facility; (viii) Guadalupe County Correctional Facility; (ix) Jena Juvenile Justice Center; (x) Karnes County Correctional Center; (xi) Lawton Correctional Facility; (xii) Lea County Correctional Facility; (xiii) McFarland Community Correctional Facility; (xiv) Michigan Youth Correctional Facility; (xv) North Texas Intermediate Sanction Facility; (xvi) Queens Private Correctional Facility.

The Company owns a 72-bed psychiatric hospital in Fort Lauderdale, Florida which it purchased and renovated in 1997.

In December 1997, the Company entered into a $220 million operating lease facility that was established to acquire and develop new correctional institutions used in its business. As a condition of this facility, the Company unconditionally agreed to guarantee certain obligations of First Security Bank, N.A., a party to the aforementioned operating lease facility. As of January 2, 2000, approximately $88.7 million of this operating lease facility was utilized for properties under development.

ITEM 3. LEGAL PROCEEDINGS

In Caldwell County, Texas a grand jury was convened to investigate allegations of sexual misconduct and document tampering by individuals employed or formerly employed by the Company at the Lockhart facilities. This grand jury has been dismissed and issued no indictments.

In Travis County, Texas, a grand jury took testimony regarding sexual misconduct by individuals employed or formerly employed by the Company at the Travis County Community Justice Center. This grand jury indicted twelve of the Company's former facility employees for various types of sexual misconduct. Management believes these indictments are not expected to have any material financial impact on the Company. Eleven of the twelve indicted former employees already resigned from or had been terminated by the Company as a result of Company-initiated investigations over the course of the prior three years. The Company is not providing counsel to assist in the defense of these twelve individuals.

The District Attorney in Travis County continues to review Company documents for alleged document tampering at the Travis County Facility. At this time the Company cannot predict the outcome of this investigation.

The nature of the Company's business results in claims or litigation against the Company for damages arising from the conduct of its employee or others. Except for the litigation set forth above and routine 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. The Company believes that if the outcome of the proceedings to which it is currently a party is unfavorable, the Company could have a material adverse effect upon its operations or financial condition.

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

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference from Page 19 of the Registrant's 1999 Annual Report to Shareholders.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item is incorporated by reference from Pages 20 and 21 of the Registrant's 1999 Annual Report to Shareholders.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by these items is incorporated by reference from Pages 22 through 27 of the Registrant's 1999 Annual Report to Shareholders.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is incorporated by reference from Pages 28 through 39 of the Registrant's 1999 Annual Report to Shareholders except for the Financial Statement and Schedule listed in Item 14 (a)(2) of this Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

The information required by Items 11, 12, and 13 of Form 10-K (except such information as is furnished in a separate caption "Executive Officers of the Company" and included in Part III, below) will be contained in, and is incorporated by reference from, the proxy statement (with the exception of the Board Compensation Committee Report and the Performance Graph) for the Company's 2000 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 10.

EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of the Company are as follows:

Name	Age	Position
George R. Wackenhut	80	Chairman of the Board and Director
George C. Zoley	50	Vice Chairman of the Board, Chief Executive Officer, and Director
Wayne H. Calabrese	49	President and Chief Operating Officer
John G. O'Rourke	49	Senior Vice President, Chief Financial Officer, and Treasurer
Carol M. Brown	45	Senior Vice President, Health Services
John J. Bulfin	46	Senior Vice President and General Counsel
John M. Hurley	52	Senior Vice President, Operations
Donald H. Keens	56	Senior Vice President, International Services
David N.T. Watson, CPA	34	Vice President - Finance, Controller, Chief Accounting Officer, and Assistant Treasurer

GEORGE R. WACKENHUT is the Chairman of the Board. He was the Chief Executive Officer of The Wackenhut Corporation ("TWC") from the time it was founded until February 18, 2000. He was President of TWC from the time it was founded until April 26, 1986. He formerly was a Special Agent of the Federal Bureau of Investigation. He is a former member of the Board of Directors of SSJ Medical Development, Inc., Miami, Florida, a member of the Board of Trustees of Correctional Properties Trust ("CPV"), and is on the Dean's Advisory Board of the University of Miami School of Business. He is on the National Council of Trustees, Freedoms Foundation at Valley Forge and the President's Advisory Council for the Small Business Administration, Region IV. He is a past participant in the Florida Governor's War on Crime and a past member of the Law Enforcement Council, National Council on Crime and Delinquency, and the Board of Visitors of the U.S. Army Military Police School. He is also a member of the American Society for Industrial Security. He was a recipient in 1990 of the Labor Order of Merit, First Class, from the government of Venezuela and in 1999 was awarded the distinguished Ellis Island Medal of Honor by the National Ethnic Coalition of Organizations. Also in 1999, he was inducted into the West Chester University Hall of Fame and the Athlete's Hall of Fame in Delaware County, Pennsylvania. Mr. Wackenhut received his B.S. degree from the University of Hawaii and his M.Ed. degree from John Hopkins University.

GEORGE C. ZOLEY has served as Vice Chairman of the Board since January 1997. Previously he had served as President and Director of the Company since it was incorporated in 1988, and Chief Executive Officer since April, 1994. Dr. Zoley established the correctional division for TWC in 1984 and was, and continues to be, a major factor in the company's development of its privatized correctional and detention facility business. Dr. Zoley is also a director of each of the entities through which the Company conducts its international operations and a Trustee of CPV. From 1981 through 1988, as manager, director, and then Vice President of Government Services of Wackenhut Services, Inc.

("WSI"), Dr. Zoley was responsible for the development of opportunities in the privatization of government services by WSI. Currently Dr. Zoley serves as a Senior Vice President of The Wackenhut Corporation. Prior to joining WSI, Dr. Zoley held various administrative and management positions for city and county governments in South Florida. Dr. Zoley holds Masters and Doctorate degrees in Public Administration.

WAYNE H. CALABRESE has served as President since January 1997, Chief Operating Officer since January 1996, a director of the Company since April, 1998, and as Executive Vice President of the Company from 1994 to 1996. Mr. Calabrese is also a director of each of the entities through which the Company conducts its international operations. Mr. Calabrese served as Chief Executive Officer of Australasian Correctional Management, Pty Ltd., a subsidiary of the Company, from 1991 until he returned to the United States in 1994. Mr. Calabrese joined the Company as Vice President, Business Development in 1989, became Executive Vice President in 1994 and became Chief Operating Officer in 1996. Mr. Calabrese's prior experience in the public sector includes positions as Assistant City Law Director in Akron, Ohio; and Assistant County Prosecutor, and later, Chief of the County Bureau of Support for Summit County, Ohio. Mr. Calabrese was also Legal Counsel and Director of Development for the Akron Metropolitan Housing Authority. Prior to joining the Company, Mr. Calabrese was engaged in the private practice of law as a partner in the Akron law firm of Calabrese, Dobbins and Kepple.

JOHN G. O'ROURKE has served as Chief Financial Officer and Treasurer of the Company since April, 1994, and has been the Senior Vice President, Finance of the Company since June, 1991. Prior to joining the Company Mr. O'Rourke spent twenty years as an officer in the United States Air Force where his most recent position was as the Strategic Division Chief in the Office of the Secretary of the Air Force, responsible for acquisitions and procurement matters for strategic bomber aircraft.

CAROL M. BROWN has served as Senior Vice President, Health Services of the Company since August, 1990, and as President of the Company's healthcare subsidiary, Atlantic Shores Healthcare, Inc., since April 1997. Ms. Brown is a certified specialist in correctional health care management. From 1988 until joining the Company Ms. Brown was a Consultant for medical case management and workers' compensation in South Florida for Health and Rehabilitation Management, Inc. From 1987 to 1988, Ms. Brown was Medical Manager for Metlife Healthcare of South Florida. Ms. Brown was an Administrator for health care services for Medical Personnel Pool, Inc. from 1985 to 1987 and for Upjohn Healthcare from 1981 to 1985.

JOHN J. BULFIN was appointed Senior Vice President and General Counsel on January 1, 2000. Prior to joining the Company, Mr. Bulfin was a founding partner of the law firm Wiederhold, Moses, Bulfin & Rubin. Mr. Bulfin earned his law degree from Loyola (Chicago) University and his bachelor's degree from Regis College. Mr. Bulfin is a member of the American Bar Association, the Palm Beach County Bar Association, the Association of Trial Lawyers of America, the American Board of Trial Advocates, the Florida Defense Lawyers Association, and is currently on the Personal Injury and Wrongful Death Committee of the Palm Beach County Bar Association.

JOHN M. HURLEY was appointed Senior Vice President, Operations on January 1, 2000, and has been with the Company since 1998 when he became the Facility Administrator (warden) of the company's 1,318-bed correctional facility in South Bay, Florida. Mr. Hurley completed 25 years of distinguished service in the Federal Bureau of Prisons (BOP) prior to joining the Company. While with the BOP, he served as the warden of several major correctional institutions, including a maximum security penitentiary, and earlier, at the BOP's largest correctional facility. His staff assignments in the

BOP included Director of the Staff Training Academy; Deputy Assistant Director, Community Corrections and Detention Division; and Correctional Programs Administrator of the Correctional Programs Division. He has a B.A. in Sociology from the University of Iowa, and a Certificate in Public Administration from the University of Southern California.

DONALD H. KEENS was appointed Senior Vice President, International Services on January 1, 2000 and has been with the Company since 1994. Prior to the appointment to his present position he served as the Managing Director of Australasian Correctional Management, Pty Ltd., a subsidiary of the Company; and from 1994 to 1997 as Managing Director of Premier Prison Services, Ltd., a United Kingdom joint venture of the Company. Mr. Keens followed a law enforcement career in Zimbabwe from 1962 to 1980, with the final rank of police superintendent; and was Director and General Manager for a prison and court services company in the United Kingdom from 1980 to 1993. He is a graduate of Crosby College of Quality; and is qualified as a Professional Member SA of the Institute of Management Services (PMS), and a Senior Member of the Institute of Organization and Methods (SIOM).

DAVID N.T. WATSON, CPA has served as Vice President - Finance since July, 1999 and as Controller, Assistant Treasurer, and Chief Accounting Officer of the Company since November, 1994. From 1989 until joining the Company, Mr. Watson was with the Miami office of Arthur Andersen LLP where his most recent position was Manager, in the Audit and Business Advisory Services Group. Mr. Watson has a B.A. in Economics from the University of Virginia and an M.B.A. from Rutgers, the State University of New Jersey. Mr. Watson is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Report of Independent Certified Public Accountants - This item is incorporated by reference from Page 40 of the Registrant's 1999 Annual Report to Shareholders.

The following consolidated financial statements of the Company, included in the Registrant's 1999 Annual Report to its Shareholders for the fiscal year ended January 2, 2000, are incorporated by reference in Part II, Item 8:

Consolidated Balance Sheets - January 2, 2000 and January 3, 1999 - Page 29

Consolidated Statements of Income - Fiscal years ended January 2, 2000, January 3, 1999 and December 28, 1997 - Page 28

Consolidated Statements of Cash Flows - Fiscal years ended January 2, 2000, January 3, 1999, and December 28, 1997 - Page 30

Consolidated Statements of Shareholders' Equity and Comprehensive Income - Fiscal years ended January 2, 2000, January 3, 1999, and December 28, 1997 - Page 31

Notes to Consolidated Financial Statements - Pages 32 through 39

2. FINANCIAL STATEMENT SCHEDULES.

Schedule II - Valuation and Qualifying Accounts - Page 26

All other schedules specified in the accounting regulations of the Securities and Exchange Commission have been omitted because they are either inapplicable or not required.

3. EXHIBITS. THE FOLLOWING EXHIBITS ARE FILED AS PART OF THIS ANNUAL REPORT:

Exhibit Number	Description
3.1**	Amended and Restated Articles of Incorporation of the Company dated May 16, 1994.
3.2**	Bylaws of the Company.
4.1	Amended and Restated Credit Agreement, dated December 18, 1997, by and among Wackenhut Corrections Corporation, NationsBank, National Association, Scotia Banc, Inc. and the Lenders Party thereto from time to time.
4.2	Amended and Restated Participation Agreement, dated June 19, 1997, among Wackenhut Corrections Corporation, First security Bank, National Association, the Various Bank and other Lending Institutions which are Partners thereto from time to time, Scotia Banc Inc., and NationsBank, National Association.
4.3	Amended and Restated Lease Agreement, dated as of June 19, 1997, between First Security Bank, National Association and Wackenhut Correction Corporation.
4.4	Guaranty and Suretyship Agreement, dated December 18, 1997, by and among the Guarantors parties thereto and NationsBank, National Association.
4.5	Third Amended and Restated Trust Agreement, dated as of June 19, 1997, among, NationsBank, National Association, and other financial institutions parties thereto and First security Bank, National Association.
4.6*	Amended and Restated Credit Agreement, dated December 3, 1999, by and among Wackenhut Corrections Corporation, Bank of America, N.A., ScotiaBanc, Inc. and the Lenders Party thereto from time to time.
10.1+**	Wackenhut Corrections Corporation Stock Option Plan.
10.2+**	Wackenhut Corrections Corporation 1994 Stock Option Plan.
10.3+**	Form of Indemnification Agreement between the Company and its Officers and Directors.
10.4+***	Wackenhut Corrections Corporation Senior Officer Retirement Plan.
10.5+***	Wackenhut Corrections Corporation Director Deferral Plan.
10.6+***	Wackenhut Corrections Corporation Senior Officer Incentive Plan.
10.7	Services Agreement dated as of January 3, 1994 between the Company and TWC (incorporated by reference to Exhibit 10.4 of the Company's Registration Statement on Form S-1, as amended, Registration Number 33-79264).
10.8***	Services Agreement effective as of January 1, 1996 between the Company and TWC.
10.9	Lease Agreement effective as of January 3, 1994 between the Company and TWC (incorporated by reference to Exhibit 10.5 of the Company's Registration Statement on Form S-1, as amended, Registration Number 33-79264)
10.10	Revolving Credit Facility Agreement dated December 12, 1994 between the Company and Barnett Bank of South Florida, N.A. (incorporated by reference to Exhibit 10.106 of the Company's Annual Report on Form 10-K for the Fiscal Year ended January 1, 1995).
10.11****	Form of Master Agreement to Lease between CPT Operating Partnership L.P. and Wackenhut Corrections Corporation; Form of Lease Agreement between CPT Operating Partnership L.P. and Wackenhut Corrections Corporation; Form Right to Purchase Agreement between Wackenhut Corrections Corporation and CPT Operating Partnership L.P.; and, Form of Option agreement between Wackenhut Corrections Corporation and CPT Operating Partnership L.P.
10.12+*	Wackenhut Corrections Corporation 1999 Stock Option Plan.
13.0*	Annual Report to Shareholders for the year ended January 2, 2000, beginning with page 19 (to be filed only to the extent required by the instructions to exhibits for reports on this Form 10-K).

21.1*	Subsidiaries of the Company.
23.1*	Consent of Independent Certified Public Accountants.
24.1*	Powers of Attorney (included as part of the signature page hereto).
27.1*	Financial Data Schedule (for SEC use only)

*   Filed herewith.

**   Incorporated herein by reference to exhibit of the same number filed in the Company's Registration Statement, as amended, on Form S-1 (Registration Number 33-79264)

***   Incorporated herein by reference to exhibit of the same number filed in the Company's Registration Statement, as amended, on Form S-1 (Registration Number 33-80785)

****   Incorporated by reference to Exhibits 10.2, 10.3, 10.4, and 10.5 of the Company's Registration Statement on Form S-3 (Registration Number 333-46681).

+   Management contract or compensatory plan, contract or agreement as defined in Item 402(a) (3) of Regulation S-K.

(b) Reports on Form 8-K. The Company did not file a current report on Form 8-K during the fourth quarter of Fiscal year 1999.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WACKENHUT CORRECTIONS CORPORATION

Date: March 30, 2000

/s/ John G. O'Rourke

JOHN G. O'ROURKE
Senior Vice President - Finance, Treasurer & Chief Financial Officer

Each person whose signature appears below hereby constitutes and appoints John G. O'Rourke, Senior Vice President -Finance, Treasurer and Chief Financial Officer; David N.T. Watson, Vice President -Finance, Controller, Chief Accounting Officer, and Assistant Treasurer; John J. Bulfin, General Counsel; and Francis E. Finizia, Corporate Counsel and Assistant Secretary; and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, with full power undersigned, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

Date: March 30, 2000

/s/ George C. Zoley

GEORGE C. ZOLEY
Vice Chairman of the Board and Chief Executive Officer
(principal executive officer)

Date: March 30, 2000

/s/ John G. O'Rourke

JOHN G. O'ROURKE
Senior Vice President - Finance, Treasurer & Chief Financial Officer
(principal financial officer)

Date: March 30, 2000

/s/ David N.T. Watson

DAVID N.T. WATSON
Vice President of Finance, Controller, Chief Accounting Officer, & Assistant Treasurer
(principal accounting officer)

Date: March 30, 2000 /s/ George R. Wackenhut

GEORGE R. WACKENHUT
Director

Date: March 30, 2000 /s/ Richard R. Wackenhut

RICHARD R. WACKENHUT
Director

Date: March 30, 2000 /S/ Wayne H. Calabrese

WAYNE H. CALABRESE
Director

Date: March 30, 2000 /s/ Norman A. Carlson

NORMAN A. CARLSON
Director

Date: March 30, 2000 /s/ Benjamin R. Civiletti

BENJAMIN R. CIVILETTI
Director

Date: March 30, 2000 /s/ Manuel J. Justiz

MANUEL J. JUSTIZ
Director

Date: March 30, 2000 /s/ John F. Ruffle

JOHN F. RUFFLE
Director

Date: March 30, 2000 /s/ Richard H. Glanton

RICHARD H. GLANTON
Director

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements included in Wackenhut Corrections Corporation's 1999 Annual Report to Shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated February 15, 2000. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedule listed above in item 14(a)2 of the Corporation's Annual Report on Form 10-K for the fiscal year ended January 2, 2000 is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

West Palm Beach, Florida,
February 15, 2000.

SCHEDULE II

WACKENHUT CORRECTIONS CORPORATION

VALUATION AND QUALIFYING ACCOUNTS

FOR THE FISCAL YEARS ENDED, JANUARY 2, 2000,
JANUARY 3, 1999, AND DECEMBER 28, 1997

(IN THOUSANDS)

Description	Balance At Beginning of Period	Charged to Cost and Expenses	Charged to Other Accounts	Deductions, Actual Charge-offs	Balance At End of Period
YEAR ENDED JANUARY 2, 2000:					
Allowance for doubtful accounts	$401	$1,474	$ --	$(376)	$1,499
YEAR ENDED JANUARY 3, 1999:					
Allowance for doubtful accounts	$ --	$ 401	$ --	$ --	$ 401
YEAR ENDED DECEMBER 28, 1997:					
Allowance for doubtful accounts	$ --	$ --	$ --	$ --	$ --

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation of the Company dated May 16, 1994.
3.2	Bylaws of the Company.
4.1	Amended and Restated Credit Agreement, dated December 18, 1997, by and among Wackenhut Corrections Corporation, NationsBank, National Association, ScotiaBanc, Inc. and the Lenders Party thereto from time to time.
4.2	Amended and Restated Participation Agreement, dated June 19, 1997, among Wackenhut Corrections Corporation, First security Bank, National Association, the Various Bank and other Lending Institutions which are Partners thereto from time to time, ScotiaBanc Inc., and NationsBank, National Association.
4.3	Amended and Restated Lease Agreement, dated as of June 19, 1997, between First Security Bank, National Association and Wackenhut Correction Corporation.
4.4	Guaranty and Suretyship Agreement, dated December 18, 1997, by and among the Guarantors parties thereto and NationsBank, National Association.
4.5	Third Amended and Restated Trust Agreement, dated as of June 19, 1997, among, NationsBank, National Association, and other financial institutions parties thereto and First Security Bank, National Association.
4.6	Amended and Restated Credit Agreement, dated December 3, 1999, by and among Wackenhut Corrections Corporation, Bank of America, N.A., ScotiaBanc, Inc. and the Lenders Party thereto from time to time.
10.1	Wackenhut Corrections Corporation Stock Option Plan.
10.2	Wackenhut Corrections Corporation 1994 Stock Option Plan.
10.3	Form of Indemnification Agreement between the Company and its Officers and Directors.
10.4	Wackenhut Corrections Corporation Senior Officer Retirement Plan.
10.5	Wackenhut Corrections Corporation Director Deferral Plan.
10.6	Wackenhut Corrections Corporation Senior Officer Incentive Plan.
10.7	Services Agreement dated as of January 3, 1994 between the Company and TWC (incorporated by reference to Exhibit 10.4 of the Company's Registration Statement on Form S-1, as amended, Registration Number 33-79264).
10.8	Services Agreement effective as of January 1, 1996 between the Company and TWC.
10.9	Lease Agreement effective as of January 3, 1994 between the Company and TWC (incorporated by reference to Exhibit 10.5 of the Company's Registration Statement on Form S-1, as amended, Registration Number 33-79264)
10.10	Revolving Credit Facility Agreement dated December 12, 1994 between the Company and Barnett Bank of South Florida, N.A. (incorporated by reference to Exhibit 10.106 of the Company's Annual Report on Form 10-K for the Fiscal Year ended January 1, 1995).
10.11	Form of Master Agreement to Lease between CPT Operating Partnership L.P. and Wackenhut Corrections Corporation; Form of Lease Agreement between CPT Operating Partnership L.P. and Wackenhut Corrections Corporation; Form Right to Purchase Agreement between Wackenhut Corrections Corporation and CPT Operating Partnership L.P.; and, Form of Option agreement between Wackenhut Corrections Corporation and CPT Operating Partnership L.P.
10.12	Wackenhut Corrections Corporation 1999 Stock Option Plan.
13.0	Annual Report to shareholders for the year ended January 3, 1999, beginning with page 25 (to be deemed filed only to the extent required by the instructions to exhibits for reports on this Form 10-K).
21.1	Subsidiaries of the Company.
23.1	Consent of Independent Certified Public Accounts.
24.1	Powers of Attorney (included as part of the signature page hereto).
27.1	Financial Data Schedule (For SEC use only).

Exhibit 4.6

AMENDMENT AGREEMENT NO. 2
TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDMENT AGREEMENT is made and entered into as of this 3rd day of December, 1999, by and among WACKENHUT CORRECTIONS CORPORATION, a Florida corporation (herein called the "Borrower"), BANK OF AMERICA, N.A. (successor in interest to NationsBank, N.A.) (the "Agent"), as Agent for the lenders (the "Lenders") party to the Amended and Restated Credit Agreement dated December 18, 1997 among such Lenders, Borrower and the Agent (as amended prior to the date hereof, the "Agreement") and the Lenders whose names are subscribed hereto.

WITNESSETH:

WHEREAS, the Borrower, the Agent and the Lenders have entered into the Agreement pursuant to which the Lenders have agreed to make revolving loans to the Borrower in the aggregate principal amount of up to $30,000,000 as evidenced by the Notes (as defined in the Agreement); and

WHEREAS, as a condition to the making of the loans pursuant to the Agreement the Lenders have required that all Material Subsidiaries that are Domestic Subsidiaries of the Borrower guarantee payment of all Obligations of the Borrower arising under the Agreement; and

WHEREAS, the Borrower has requested that the Agreement be further amended and the Agent and the Lenders, subject to the terms and conditions hereof, are willing to make such amendment, as provided herein;

WHEREAS, the Borrower's Subsidiary, Wackenhut Corrections (UK), Ltd. has become a Material Subsidiary and the Borrower has failed to comply on a timely basis with the requirements of Section 8.19 of the Agreement and, subject to the receipt of the consent of the Required Lenders, the Borrower intends to restructure its investments in the United Kingdom as described on Appendix I attached hereto and by reference made a part hereof and in the letter from the Borrower to the Agent dated November 30, 1999 (the "UK Reorganization"); and

WHEREAS, the Borrower has requested that the Lenders waive the failure to comply with Section 8.19 described above and to consent to the restructuring of its United Kingdom investment;

NOW, THEREFORE, the Borrower, the Agent and the Lenders do hereby agree as follows:

1. DEFINITIONS. The term "Agreement" as used herein and in the Loan Documents (as defined in the Agreement) shall mean the Agreement as hereinafter amended and modified. Unless the context otherwise requires, all terms used herein without definition shall have the definition provided therefor in the Agreement.

2. AMENDMENTS. Subject to the conditions set forth herein, the Agreement is hereby amended as follows, effective as of the date hereof:

(a) The following definition of "Applicable TROL Equity Advances" is added to Section 1.1 of the Agreement:

"'Applicable TROL Equity Advances' means, with respect to any TROL Lease, those equity advances (a) that are incurred by the TROL Lessor under the operative agreements (including trust agreement) relating to such TROL Lease, and (b) the proceeds of which are used by the TROL Lessor to acquire or improve any property that is subject of such lease, or to pay transaction expenses in connection with such lease."

(b) The following definition of "Applicable TROL Loans" is added to Section 1.1 of the Agreement:

"'Applicable TROL Loans' means, with respect to any TROL Lease, those loans (a) that are incurred by the TROL Lessor under the operative agreements (including credit agreement) relating to such TROL Lease, and (b) the proceeds of which are used by the TROL Lessor to acquire or improve any property that is subject of such lease, or to pay transaction expenses in connection with such lease.

(c) The following definition of "TROL Basic Rent" is added to Section 1.1 of the Agreement:

"'TROL Basic Rent' means, with respect to any TROL Lease, the portion of the rent under such lease that (a) is determined by the amount of TROL Interest and Equity Yield accrued on Applicable TROL Loans and Applicable TROL Equity Advances, and (b) is paid to the TROL Lessor to enable the TROL Lessor to pay such TROL Interest Equity Yield."

(d) The definition of "Consolidated Interest Expense" in Section 1.1 of the Agreement is amended in its entirety, so that as amended it shall read as follows:

"'Consolidated Interest Expense' means, with respect to any period of computation thereof, the gross interest expense of the Borrower and its Subsidiaries, including without limitation (i) the current amortized portion of debt discounts to the extent included in gross interest expense, (ii) the current amortized portion of all fees (including fees payable in respect of any Swap Agreement and Letters of Credit) payable in connection with the incurrence of Indebtedness to the extent included in gross interest expense and (iii) the portion of any payments made in connection with Capital Leases allocable to interest expense, in each of the foregoing cases determined on a consolidated basis in accordance with GAAP applied on a Consistent Basis; PROVIDED that Consolidated Interest Expense shall not include payments with respect to the TROL Leases, except that Consolidated Interest Expense shall include payments of TROL Basic Rent."

(e) The following definition of "TROL Interest and Equity Yield" is added to Section 1.1 of the Agreement.

"'TROL Interest and Equity Yield' means, with respect to any TROL Lease, collectively: (a) the interest accrued on the Applicable TROL Loans (but excluding any interest that is capitalized or paid by the TROL Lessor using the proceeds of any Applicable TROL Loan), and (b) the yield in the nature of interest that is accrued on Applicable TROL Equity Advances (but excluding any yield that is capitalized or paid using the proceeds of any Applicable TROL Equity Advance)."

(f) The definition of "TROL Leases" in Section 1.1 of the Agreement is amended in its entirety, so that as amended it shall read as follows:

"'TROL Leases' means all tax retention operating lease agreements between the Borrower or any Subsidiary, as lessee, and the TROL Lessor, as amended, supplemented or modified from time to time."

(g) The following definition of "TROL Lessor" is added to Section 1.1 of the Agreement:

"'TROL Lessor' means, with respect to any TROL Lease, First Security Bank, N.A., the owner trustee, as lessor, and any successor."

(h) Clause (f) of Section 9.7 of the Agreement is amended in its entirety, so that as amended clause (f) shall read as follows:

"(f) other investments, loans or advances (including, without limitation, loans or advances in or to Special Purpose Subsidiaries) not exceeding in the aggregate at any time 12% of Consolidated Total Assets;"

3. SUBSIDIARY CONSENTS. Each Subsidiary of the Borrower that has delivered a Guaranty to the Agent has joined in the execution of this Amendment Agreement for the purpose of (i) agreeing to the consent and waiver and the amendments to the Agreement set forth herein and (ii) confirming its guarantee of payment of all the Obligations.

4. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants that:

(a) the representations and warranties made by Borrower in Article VII of the Agreement are true on and as of the date hereof;

(b) There has been no material adverse change in the condition, financial or otherwise, of the Borrower and its Subsidiaries since the date of the most recent financial reports of the Borrower received by each Lender under Section 8.1 thereof, other than changes in the ordinary course of business, none of which has been a material adverse change;

(c) The business and properties of the Borrower and its Subsidiaries are not and have not been adversely affected in any substantial way as the result of any fire, explosion, earthquake, accident, strike, lockout, combination of workers, flood, embargo, riot, activities of armed forces, war or acts of God or the public enemy, or cancellation or loss of any major contracts; and

(d) No event has occurred and no condition exists which, upon the consummation of the transaction contemplated hereby, constitutes a Default or an Event of Default on the part of the Borrower under the Agreement, the Notes or any other Loan Document either immediately or with the lapse of time or the giving of notice, or both.

5. WAIVER AND CONSENT. Each of the Lenders party to this Amendment Agreement hereby (1) waives the Event of Default, together with any requirements that the Borrower be assessed the Default Rate, by reason of the Borrower's failure to pledge to the Agent (pursuant to Section 8.19 of the Agreement) 65% of the capital stock of Wackenhut UK, Ltd. provided that (x) the UK Reorganization shall occur within 60 days of the date of this Amendment Agreement and (y) the Borrower shall pledge to the Agent 65% of the stock of Wackenhut Corrections (UK), Ltd. and comply with the other requirements of Section 8.19 within 60 days of the date of this Amendment Agreement, and (ii) consents to the UK Reorganization.

6. CONDITIONS. This Amendment Agreement shall become effective upon the Borrower delivering to the Agent eleven (11) counterparts of this Amendment Agreement duly executed by the Borrower and consented to by each of the Subsidiaries.

7. ENTIRE AGREEMENT. This Amendment Agreement sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. No promise, conditions, representation or warranty, express or implied, not herein set forth shall bind any party hereto, and no one of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as in this Amendment Agreement otherwise expressly stated, no representations, warranties or commitments, express or implied, have been made by any other party to the other. None of the terms or conditions of this Amendment Agreement may be changed, modified, waived or canceled orally or otherwise, except by writing, signed by the parties required by the terms of the Agreement, specifying such change, modification, waiver or cancellation of such terms or conditions, or of any proceeding or succeeding breach thereof.

8. FULL FORCE AND EFFECT OF AGREEMENT. Except as hereby specifically amended, modified or supplemented, the Agreement and all of the other Loan Documents are hereby confirmed and ratified in all respects and shall remain in full force and effect according to their respective terms.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

BORROWER

WACKENHUT CORRECTIONS CORPORATION

WITNESS:

/s/ David N.T. Watson	By: /s/ John G. O'Rourke
------------------------------	-----------------------------------
	Name: John G. O'Rourke
------------------------------	Title: Senior Vice President, CFO & Treasurer, Wackenhut Corrections Corporation

GUARANTORS:

WCC RE HOLDINGS, INC.

WITNESS:

/s/ David N.T. Watson
- ------------------------------------

By: /s/ John G. O'Rourke

Name: John G. O'Rourke
Title: Senior Vice President
WCC Re Holdings, Inc.

/s/ Keungling Lee
- ------------------------------------

BANK OF AMERICA, N.A.
as Agent for the Lenders

By: /s/ John E. Williams

Name: John E. Williams
Title: Managing Director

BANK OF AMERICA, N.A.,
as Lender

By: /s/ John E. Williams

Name: John E. Williams
Title: Managing Director

SCOTIABANC, INC.

By: /s/ Frank F. Sandler

Name: Frank F. Sandler
Title: Relationship Manager

SUNTRUST BANK, SOUTH FLORIDA, N.A.

By: /s/ William H. Crawford

Name: William H. Crawford
Title: Assistant Vice President

SOUTHTRUST BANK, NATIONAL
ASSOCIATION

By: /s/ D. Guy Guenthaer

Name: D. Guy Guenthaer
Title: Group Vice President

SUMMIT BANK

By: /s/ Lisa Cohen

Name: Lisa Cohen
Title: Vice President

AMSOUTH BANK

By: /s/

Name:
Title:

PARIBAS

By: /s/ Duane Helkowski

Name: Duane Helkowski
Title: Vice President

By: /s/ Scott C. Sergeant

Name: Scott C. Sergeant
Title: Assistant Vice President

HIBERNIA NATIONAL BANK

By: /s/ Troy J. Villafarra

Name: Troy J. Villafarra
Title: Senior Vice President

PNC BANK, N.A.

By: /s/

Name:
Title:

EXHIBIT 10.12

WACKENHUT CORRECTIONS CORPORATION

1999 STOCK OPTION PLAN

CONTENTS

WACKENHUT CORRECTIONS CORPORATION STOCK OPTION PLAN

ARTICLE 1. ESTABLISHMENT, OBJECTIVES, AND DURATION

1.1 ESTABLISHMENT OF THE PLAN. Wackenhut Corrections Corporation, a Florida corporation (hereinafter referred to as the "Company"), hereby establishes an incentive compensation plan to be known as the "Wackenhut Corrections Corporation Stock Option Plan" (hereinafter referred to as the "Plan"), as set forth in this document. The Plan permits the grant of Nonqualified Stock Options and Incentive Stock Options.

Subject to approval by the Company's Board of Directors, the Plan shall become effective as of February 18, 1999, (the "Effective Date") subject to approval by the shareholders at the 1999 annual meeting, and shall remain in effect as provided in Section 1.3 hereof.

1.2 OBJECTIVES OF THE PLAN. The objectives of the Plan are to optimize the profitability and growth of the Company through annual and long-term incentives which are consistent with the Company's goals and which link the personal interests of Participants to those of the Company's stockholders; to provide Participants with an incentive for excellence in individual performance; and to promote teamwork among Participants.

The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Participants who make significant contributions to the Company's success and to allow Participants to share in the success of the Company.

1.3 DURATION OF THE PLAN. The Plan shall commence on the Effective Date, as described in Section 1.1 hereof, and shall remain in effect, subject to the right of the Committee to amend or terminate the Plan at any time pursuant to Article 11 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions. However, in no event may an Award be granted under the Plan on or after February 17, 2009.

ARTICLE 2. DEFINITIONS

Whenever used in the Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized:

2.1 "AFFILIATE" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations of the Exchange Act.

2.2 "AWARD" means, individually or collectively, a grant under this Plan of Nonqualified Stock Options or Incentive Stock Options.

2.3 "AWARD AGREEMENT" means an agreement entered into by the Company and each Participant setting forth the terms and provisions applicable to Awards granted under this Plan.

2.4 "BENEFICIAL OWNER" or "BENEFICIAL OWNERSHIP" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.5 "BOARD" or "BOARD OF DIRECTORS" means the Board of Directors of the Company.

2.6 "CAUSE" means (i) willful and gross misconduct on the part of a Participant that is materially and demonstrably detrimental to the Company; or (ii) the commission by a Participant of one or more acts which constitute an indictable crime under United States federal, state, or local law. "Cause" under either (i) or (ii) shall be determined in good faith by a written resolution duly adopted by the affirmative vote of not less than two-thirds (2/3) of all the Directors at a meeting duly called and held for that purpose after reasonable notice to the Participant and opportunity for the Participant and his or her legal counsel to be heard.

2.7 "CHANGE IN CONTROL" of the Company shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

(a) The stockholders of the Company approve: (i) a plan of complete liquidation of the Company; or (ii) an agreement for the sale or disposition of all or substantially all the Company's assets; or (iii) a merger, consolidation, or reorganization of the Company with or involving any other corporation, other than a merger, consolidation, or reorganization that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least sixty-five percent (65%) of the combined voting power of the voting securities of the Company (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization; or

(b) Notwithstanding anything else contained herein to the contrary, in no event shall a Change in Control be deemed to occur solely by reason of (1) a distribution to the Parent's shareholders, whether as dividend or otherwise, of all or any portion of Shares or any other voting securities of the Company held, directly or indirectly, by the Parent; or (2) a sale of all or any portion of Shares or any other voting securities of the Company held, directly or indirectly, by the Parent in an underwritten public offering.

However, in no event shall a "Change in Control" be deemed to have occurred, with respect to a Participant, if the Participant is part of a purchasing group which consummates the Change-in-Control transaction. A Participant shall be deemed "part of a purchasing group" for purposes of the preceding sentence if the Participant is an equity participant in the purchasing company or group except: (i) passive ownership of less than three percent (3%) of the stock of the purchasing company; or (ii) ownership of equity participant in the purchasing company or group which is otherwise not significant, as determined prior to the Change in Control by a majority of the nonemployee continuing Director.

2.8 "CODE" means the Internal Revenue Code of 1986, as amended from time to time.

2.9 "COMMITTEE" means the Nomination and Compensation Committee of the Company.

2.10 "COMPANY" means Wackenhut Corrections Corporation, a Florida corporation, including any and all Subsidiaries and Affiliates, and any successor thereto as provided in Article 14 herein.

2.11 "COVERED EMPLOYEE" means a Participant who, as of the date of vesting and/or payout of an Award, as applicable, is one of the group of "covered employees," as defined in the regulations promulgated under Code Section 162(m), or any successor statute.

2.12 "DIRECTOR" means any individual who is a member of the Board of Directors of the Company or any Subsidiary or Affiliate.

2.13 "DISABILITY" shall have the meaning ascribed to such term in the Participant's governing long-term disability plan, or if no such plan exists, at the discretion of the Committee.

2.14 "EFFECTIVE DATE" shall have the meaning ascribed to such term in Section 1.1 hereof.

2.15 "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.16 "FAIR MARKET VALUE" shall mean:

(a) If the security is traded on a national securities exchange, the closing sale price on the principal securities exchange on which the Shares are traded on the preceding day or, if there is no such sale on the relevant date, then on the last previous day on which a sale was reported; or

(b) If the security is not currently traded on a national securities exchange, the fair market value of the security as determined by the Committee after consideration of an appraisal conducted by an outside valuation firm.

2.17 "INCENTIVE STOCK OPTION" or "ISO" means an option to purchase Shares granted under Article 6 herein and which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422.

2.18 "INSIDER" shall mean an individual who is, on the relevant date, an executive officer, director or ten percent (10%) beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, all as defined under Section 16 of the Exchange Act.

2.19 "KEY EMPLOYEE" means an employee or consultant of the Company, including an employee who is an officer of the Company, who, in the opinion of members of the Committee, can contribute significantly to the growth and profitability of the Company. "Key Employee" also may include those employees, identified by the Committee, in situations concerning extraordinary performance, promotion, retention, or recruitment. The granting of an Award under this Plan shall be deemed a determination by the Committee that such employee is a Key Employee.

2.20 "NONQUALIFIED STOCK OPTION" or "NQSO" means an option to purchase Shares granted under Article 6 herein and which is not intended to meet the requirements of Code Section 422.

2.21 "OPTION" means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article 6 herein.

2.22 "OPTION PRICE" means the price at which a Share may be purchased by a Participant pursuant to an Option.

2.23 "PARENT" shall mean The Wackenhut Corporation.

2.24 "PARTICIPANT" means a Key Employee who has been selected to receive an Award or who has an outstanding Award granted under the Plan.

2.25 "PERSON" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

2.26 "RETIREMENT" shall mean normal retirement at age 60 or early retirement before that age.

2.27 "SHARES" means the shares of common stock of the Company, par value $.01.

2.28 "SUBSIDIARY" means any corporation, partnership, joint venture, or other entity in which the Company has a majority voting interest.

ARTICLE 3. ADMINISTRATION

3.1 GENERAL. The Plan shall be administered by the Committee except where expressly reserved by the Board. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board of Directors. To the extent that the Board has not delegated to the Committee any authority and responsibility under the Plan, all applicable references to the Committee in the Plan shall be to the Board. The Committee shall have the authority to delegate administrative duties to officers or Directors of the Company.

3.2 AUTHORITY OF THE COMMITTEE. Except as limited by law or by the Certificate of Incorporation or Bylaws of the Company, and subject to the provisions herein and ratification by the Board, the Committee shall have full power to select Participants who shall participate in the Plan; determine the sizes of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan; establish, amend, or waive rules and regulations for the Plan's administration; and (subject to the provisions of Article 11 herein) amend the terms and conditions of any outstanding Award as provided in the Plan. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law (and subject to Section 3.1 herein), the Committee may delegate its authority as identified herein.

3.3 DECISIONS BINDING. All determinations and decisions made by the Committee and the Board pursuant to the provisions of the Plan and all related orders and resolutions of the Committee and the Board shall be final, conclusive and binding on all persons, including the Company, its stockholders, Directors, Key Employees, Participants, and their estates and beneficiaries.

ARTICLE 4. SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 NUMBER OF SHARES AVAILABLE FOR GRANTS. Subject to adjustment as provided in Section 4.2 herein, the number of Shares hereby reserved for issuance to Participants under the Plan shall be Five Hundred Fifty Thousand (550,000).

4.2 ADJUSTMENTS IN AUTHORIZED SHARES. In the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) or any partial or complete liquidation of the Company, such adjustment shall be made in the number and class of Shares which may be delivered under the Plan, in the number and class of and/or price of Shares subject to outstanding Awards granted under the Plan, and in the Award limits set forth in Section 4.1, as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights; provided, however, that the number of Shares subject to any Award shall always be a whole number.

ARTICLE 5. ELIGIBILITY AND PARTICIPATION

5.1 ELIGIBILITY. Key Employees are eligible to participate in this Plan.

5.2 ACTUAL PARTICIPATION. Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Key Employees, those to whom Awards shall be granted and shall determine the nature and amount of each Award.

ARTICLE 6. STOCK OPTIONS

6.1 GRANT OF OPTIONS. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee.

6.2 AWARD AGREEMENT. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, and such other provisions as the Committee shall determine. The Award Agreement also shall specify whether the Option is intended to be an ISO within the meaning of Code Section 422, or an NQSO whose grant is intended not to fall under the provisions of Code Section 422.

6.3 OPTION PRICE. The Option Price for each grant of an Option under this Plan shall be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted.

6.4 DURATION OF OPTIONS. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no Option shall be exercisable later than the tenth (10th) anniversary date of its grant.

6.5 EXERCISE OF OPTIONS. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6 PAYMENT. Options granted under this Article 6 shall be exercised by the delivery of a written notice of exercise to the Company, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares and any applicable taxes.

The Option Price upon exercise of any Option, and any applicable taxes shall be payable to the Company in full either: (a) in cash or its equivalent, or (b) by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Option Price (provided that the Shares which are tendered must have been held by the Participant for at least six (6) months prior to their tender to satisfy the Option Price), or (c) by a combination of (a) and (b).

The Committee also may allow cashless exercise as permitted under Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law.

Subject to any governing rules or regulations, as soon as practicable after receipt of a written notification of exercise and full payment, the Company shall deliver to the Participant, in the Participant's name, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

6.7 NONTRANSFERABILITY OF OPTIONS.

(A) INCENTIVE STOCK OPTIONS. No ISO granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all ISOs granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

(B) NONQUALIFIED STOCK OPTIONS. Except as otherwise provided in a Participant's Award Agreement, no NQSO granted under this Article 6 may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, all NQSOs granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant.

6.8 TERMINATION OF EMPLOYMENT.

(A) TERMINATION OF EMPLOYMENT DUE TO DEATH, DISABILITY, OR RETIREMENT. In the event the employment of a Participant is terminated by reason of death or Disability, any outstanding Options shall become immediately exercisable at any time prior to the expiration date of the Options or within one year after such date of termination of employment, whichever period is shorter, by such person or persons as shall have acquired the Participant's rights under the Option by will or by the laws of descent and distribution.

In the event the employment of a Participant is terminated by reason of Retirement, any outstanding Options shall become immediately exercisable at any time prior to the expiration date of the options.

In its sole discretion, and prior to the termination of the employment due to death, Disability, or Retirement, the Committee may extend the period during which outstanding Options may be exercised.

In the case of ISOs, the tax treatment prescribed under Section 422A of the Code may not be available if the Options are not exercised within the Section 422A prescribed time period after termination of employment.

(B) TERMINATION OF EMPLOYMENT FOR OTHER REASONS. If the employment of the Participant shall terminate for any reason other than for death, Disability, Retirement, or for Cause, the Participant shall have the right to exercise Options that were vested in the Participant at the date of termination within the 90 days after the date of termination, but in no event beyond the expiration of the term of the Option and only to the extent that the Participant was entitled to exercise the Option at the date of termination of employment. The Committee, in its sole discretion, shall have the right to extend the 90 days up to one (1) year after the date of such termination, but, however, in no event beyond the expiration date of the Options.

If the employment of the Participant shall terminate for Cause, all outstanding Options immediately shall be forfeited to the Company and no additional exercise period shall be allowed, regardless of the vested status of the Options.

6.9 RESTRICTIONS ON SHARE TRANSFERABILITY.

The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Article 6 as it may deem advisable, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares.

ARTICLE 7. BENEFICIARY DESIGNATION

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

ARTICLE 8. DEFERRALS

The Committee may permit or require a Participant to defer such Participant's receipt of delivery of Shares that would otherwise be due to such

Participant by virtue of the exercise of an Option. If any such deferral election is required or permitted, the Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals.

ARTICLE 9. RIGHTS OF PARTICIPANTS

9.1 EMPLOYMENT. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.

9.2 PARTICIPATION. No Key Employee shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

ARTICLE 10. CHANGE IN CONTROL

10.1 TREATMENT OF OUTSTANDING AWARDS. Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges, any and all Options granted hereunder shall become immediately exercisable, and shall remain exercisable throughout their entire term.

10.2 TERMINATION, AMENDMENT, AND MODIFICATIONS OF CHANGE-IN-CONTROL PROVISIONS. Notwithstanding any other provision of this Plan (but subject to the limitations of Section 11.3 hereof) or any Award Agreement provision, the provisions of this Article 10 may not be terminated, amended, or modified on or after the date of a Change in Control to affect adversely any Award theretofore granted under the Plan without the prior written consent of the Participant with respect to said Participant's outstanding Awards; provided, however, the Committee may terminate, amend, or modify this Article 10 at any time and from time to time prior to the date of a Change in Control.

10.3 POOLING OF INTERESTS ACCOUNTING. Notwithstanding any other provision of the Plan to the contrary, in the event that the consummation of a Change in Control is contingent on using pooling of interests accounting methodology, the Committee may take any action necessary to preserve the use of pooling of interests accounting.

ARTICLE 11. AMENDMENT, MODIFICATION, AND TERMINATION

11.1 AMENDMENT, MODIFICATION, AND TERMINATION. Subject to the terms of the Plan, the Committee may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part.

11.2 ADJUSTMENT OF AWARDS UPON THE OCCURRENCE OF CERTAIN UNUSUAL OR NONRECURRING EVENTS. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.2 hereof) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that, unless the Committee determines otherwise at the time such adjustment is considered, no such adjustment shall be authorized to the extent that such authority would be inconsistent with the Plan's meeting the requirements of Section 162(m) of the Code, as from time to time amended.

11.3 AWARDS PREVIOUSLY GRANTED. Notwithstanding any other provision of the Plan to the contrary (but subject to Section 10.3 hereof), no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

11.4 COMPLIANCE WITH CODE SECTION 162(M). At all times when Code Section 162(m) is applicable, all Awards granted under this Plan shall comply with the requirements of Code Section 162(m); provided, however, that in the event the Committee determines that such compliance is not desired with respect to any Award or Awards available for grant under the Plan, then compliance with Code Section 162(m) will not be required. In addition, in the event that changes are made to Code Section 162(m) to permit greater flexibility with respect to any Award or Awards available under the Plan, the Committee may, subject to this Article 11, make any adjustments it deems appropriate.

ARTICLE 12. WITHHOLDING

12.1 TAX WITHHOLDING. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

12.2 SHARE WITHHOLDING. With respect to withholding required upon the exercise of Options, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

ARTICLE 13. INDEMNIFICATION

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgement in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation of Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

ARTICLE 14. SUCCESSORS

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

ARTICLE 15. LEGAL CONSTRUCTION

15.1 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

15.2 SEVERABILITY. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

15.3 REQUIREMENTS OF LAW. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

15.4 SECURITIES LAW COMPLIANCE. With respect to Insiders, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the 1934 Act. To the extent any provision of the plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

15.5 GOVERNING LAW. To the extent not preempted by federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Florida.

Exhibit 13.0

Financial Review

Wackenhut Corrections Corporation

Market for the Company's Common Equity and Related Stockholder Matters

The ensuing table shows the high and low prices for Wackenhut Corrections Corporation's ("the Company") common stock, as reported by the New York Stock Exchange, for each of the four quarters of Fiscal 1999 and 1998. The prices shown have been rounded to the nearest $1/16th. The approximate number of shareholders of record as of February 18, 2000, was 244.

	1999		1998	
Quarter	High	Low	High	Low
First	$ 28-1/16	$ 18-5/8	$ 30-7/8	$ 21-15/16
Second	21-3/16	15-7/8	28-13/16	23-5/16
Third	20-13/16	13-3/16	24-1/16	15
Fourth	14-3/16	9-11/16	29	18-1/8

The Company intends to retain its earnings to finance the growth and development of its business and does not anticipate paying cash dividends on its capital stock in the foreseeable future. Future dividends, if any, will depend, among other things, on the future earnings, capital requirements and financial condition of the Company, and on such other factors as the Company's Board of Directors may consider relevant.

The Company actively pursued its stock buy-back program in open market and block purchases. During Fiscal 1999 and 1998, the Company purchased 424,500 and 453,500 shares, respectively, of its common stock at an average price of $18.72 and $19.52 per share, respectively, and accounted for the transactions using the treasury stock method.

Forward-Looking Statements

The management's discussion and analysis of financial condition and results of operations, corporate profile, letter to shareholders, and the February 17, 2000 press release 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 annual 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 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 risk 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. These are representative of the Future Factors that could affect the outcome of the forward-looking statements. In addition, such statements could be affected by general industry and market conditions and growth rates, general domestic and international economic conditions including interest rate and currency exchange rate fluctuations and other future factors. These statements are marked: *.

Wackenhut Corrections Corporation
Selected Financial Data
(In thousands, except per share and operational data)

The selected consolidated financial data should be read in conjunction with the Company's consolidated financial statements and the notes thereto.

Fiscal Year Ended: [1]	1999		1998	
RESULTS OF OPERATIONS:				
Revenues	$ 438,484	100.0%	$ 312,759	100.0%
Operating income	26,041	5.9%	22,501	7.2%
Income before cumulative effect of change in accounting for start-up costs	21,940	5.0%	16,828	5.4%
Cumulative effect of change in accounting for start-up costs	--	--	(11,528)	(3.7%)
Net income	$ 21,940	5.0%	$ 5,300	1.7%
EARNINGS PER SHARE - BASIC:				
Income before cumulative effect of change in accounting for start-up cost	$ 1.01		$ 0.76	
Cumulative effect of change in accounting for start-up costs	--		(0.52)	
Net income	$ 1.01		$ 0.24	
EARNINGS PER SHARE - DILUTED:				
Income before cumulative effect of change in accounting for start-up cost	$ 1.00		$ 0.74	
Cumulative effect of change in accounting change for start-up costs	--		(0.51)	
Net income	$ 1.00		$ 0.23	
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	21,652		22,119	
Diluted	22,015		22,683	
FINANCIAL CONDITION:				
Current assets	$ 134,893		$ 94,464	
Current liabilities	55,516		28,145	
Total assets	208,222		148,008	
Total debt	15,000		213	
Shareholders' equity	118,684		102,940	
OPERATIONS DATA:				
Contracts/awards	56		52	
Facilities in operation	52		40	
Design capacity of contracts	39,930		35,707	
Design capacity of facilities in operation	32,110		26,651	
Compensated resident days (2)	9,636,099		7,678,858	

(1) The Company's fiscal year ends on the Sunday closest to the calendar year end. Fiscal 1998 included 53 weeks. Fiscal 1999, 1997, 1996, 1995 and 1994 each included 52 weeks.
(2) Compensated resident days are calculated as follows: (a) per diem rate facilities - the number of beds occupied by residents on a daily basis during the fiscal year and, (b) fixed rate facilities - the design capacity of the facility multiplied by the number of days the facility was in operation during the fiscal year. Amounts exclude compensated resident days for United Kingdom facilities.

1997		1996		1995		1994	
$206,930	100.0%	$ 137,784	100.0%	$ 99,431	100.0%	$ 84,026	100.0%
16,545	8.0%	9,731	7.1%	7,229	7.3%	4,446	5.3%
11,875	5.7%	8,261	6.0%	4,440	4.5%	2,193	2.6%
--	0.0%	--	0.0%	--	0.0%	--	0.0%
$ 11,875	5.7%	$ 8,261	6.0%	$ 4,440	4.5%	$ 2,193	2.6%
$ 0.54		$ 0.39		$ 0.26		$ 0.15	
--		--		--		--	
$ 0.54		$ 0.39		$ 0.26		$ 0.15	
$ 0.52		$ 0.37		$ 0.25		$ 0.15	
--		--		--		--	
$ 0.52		$ 0.37		$ 0.25		$ 0.15	
22,015		21,361		16,850		16,370	
22,697		22,128		17,708		17,403	
$ 75,172		$ 75,313		$ 22,353		$ 18,225	
23,946		13,183		8,898		8,031	
139,203		106,811		38,840		30,333	
225		237		991		1,422	
102,295		87,969		25,229		19,727	
46		34		24		22	
32		19		16		15	
30,144		24,371		16,054		13,732	
20,720		12,235		9,135		7,164	
5,192,614		3,585,100		2,350,843		2,090,625	

Wackenhut Corrections Corporation
Management's Discussion and
Analysis of Financial Condition
and Results of Operations

Introduction

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and notes thereto.

Overview

The Company, a 56% owned subsidiary of The Wackenhut Corporation ("TWC", NYSE: WAK and WAKB), is a leader in offering government agencies a turnkey approach to developing new correctional institutions that includes design, construction, financing and operations. It provides a broad spectrum of correctional services, which include adult corrections, juvenile facilities, community corrections and special purpose institutions.

The Company has contracts/awards to manage 56 facilities in North America, the United Kingdom, South Africa, and Australia with a total of 39,930 beds, and additional contracts for prisoner transportation, correctional health care services, and facility design and construction.

Financial Condition

Liquidity and Capital Resources

The Company's principal sources of liquidity are from operations, borrowings under its credit facilities, and sale of its rights to acquire prison facilities. Cash and equivalents totaled $41.0 million at January 2, 2000, compared to $20.2 million at January 3, 1999.

One of the Company's sources of liquidity is a $30.0 million multi-currency revolving credit facility, which includes $5.0 million for the issuance of letters of credit. At January 2, 2000, six letters of credit were outstanding in an aggregate amount of approximately $2.6 million in addition to eight letters of guarantee amounting to approximately $3.5 million under a separate Australian facility.

The Company also has a $220.0 million operating lease facility established to acquire and develop new correctional institutions used in its business. As of January 2, 2000, approximately $88.7 million of this operating lease facility was utilized for properties in operation or under development.

Cash provided by operating activities amounted to $24.8 million in Fiscal 1999 versus cash used in operating activities of $14.0 million in 1998, primarily reflecting an increase in accounts payable and accrued expenses offset by higher balances in accounts receivable, other assets and deferred income taxes.

Cash used in investing activities increased by $24.4 million to $11.8 million in Fiscal 1999 as compared to Fiscal 1998.

This change is primarily due to higher capital expenditures of approximately $14.5 million representing the investment in facilities and purchases of equipment and a decrease of $17.9 million in proceeds from the sale of assets to Correctional Properties Trust ("CPV"). The Company received net proceeds of $23.9 million for the sale of the 600-bed expansion of Lea County Correctional Facility and the right to acquire the Lawton Correctional Facility to CPV in Fiscal 1999 and had received $41.8 million for the sale of three facilities and the right to acquire four other facilities in Fiscal 1998. The Company also received $10.0 million in proceeds from the sale of approximately one-half of the Company's loans to overseas affiliates in Fiscal 1999.

Cash used in financing activities increased by $14.0 million to $7.1 million in Fiscal 1999 as compared to Fiscal 1998. This change is primarily due to the proceeds received by the Company of $15.0 million from long term debt offset by a decrease of $0.9 million in the purchase of treasury shares in Fiscal 1999 compared to Fiscal 1998.

Current cash requirements consist of amounts needed for working capital; furniture, fixtures, equipment, and supply purchases; investments in joint ventures; and investments in facilities. Some of the Company's management contracts require the Company to make substantial initial expenditures of cash in connection with opening or renovating a facility. The initial expenditures subsequently are fully or partially recoverable as pass-through costs or are billable as a component of the "per diem" rates or monthly fixed fee to the contracting agency over the original term of the contract.

The accumulated other comprehensive loss component of shareholders' equity increased from a deficit of $3.1 million at January 3, 1999 to a deficit of $1.9 million at January 2, 2000, primarily due to the increase in the value of the Australian dollar relative to the United States dollar.

As a result of sales of correctional facilities to CPV in 1999 and 1998, the Company significantly increased its borrowing capacity. In addition, management believes that cash on hand, cash funds from operations and available lines of credit will be adequate to support currently planned business expansion and various obligations incurred in the operation of the Company's business, both on a near and long-term basis.*

The Company's access to capital and ability to compete for future capital intensive projects is dependent upon, among other things, its ability to meet certain financial covenants included in the $220 million operating lease facility and the Company's $30 million revolving credit facility. A sub-stantial decline in the Company's financial performance as a result of an increase in operational expenses relative to revenue could negatively impact the Company's ability to meet these convenants, and could therefore, limit the Company's access to capital.*

Year 2000 Readiness Disclosure

Management completed the installation of new systems hardware and software before the year 2000.

There are five phases that describe the Company's process in becoming year 2000 compliant. The awareness phase encompassed developing a budget and project plan. The assessment phase identified mission-critical systems to check for compliance. Renovation was the design of the systems to be year 2000 compliant. Validation was testing the systems followed by implementation. All phases were completed prior to December 31, 1999.

The Company incurred expenses related to year 2000 compliance. These costs included time and effort of internal staff and consultants for renovation, validation and implementation, and computer and embedded technology systems enhancements and/or replacements. The total costs, funded from working capital for achieving year 2000 compliance, were approximately $0.5 million.

These costs exclude payroll costs of internal staff related to year 2000 compliance as the Company does not separately track such costs. In addition, the costs incurred to achieve year 2000 compliance excluded the Company's total costs incurred in previously planned new systems. Implementation of these new systems had not been accelerated due to the year 2000 problem. Deferral of other projects that would have a material effect on operations was not required, nor anticipated, as a result of the Company's year 2000 efforts.*

The state of year 2000 readiness for third parties with whom the Company shares a material relationship, such as banks and vendors used by the Company, was reviewed by management. We are unaware of any third party issues related to year 2000 compliance that would materially affect our financial condition or results of operations.

Subsequent to December 31, 1999, the Company has not encountered any material issues associated with year 2000 compliance as a result of its efforts to install year 2000 compliant systems.

Inflation

Management believes that inflation has not had a material effect on the Company's results of operations during the past three fiscal years. While some of the Company's contracts include provisions for inflationary indexing, since personnel costs represent the Company's largest expense in the facilities it manages, inflation could have a substantial adverse effect on the Company's results of operations in the future to the extent that wages and salaries increase at a faster rate than the per diem or fixed rates received by the Company for its management services.*

Market Risk

The Company is exposed to market risks, including changes in interest rates and currency exchange rates.

These exposures primarily relate to changes in interest rates with respect to a $220 million operating lease facility (Note 6) and a $30 million revolving credit facility (Note 4). Monthly payments under these facilities are indexed to a variable interest rate. Based upon the Company's interest rate and foreign currency exchange rate exposure at January 2, 2000, a 10% change in the current interest rate or historical currency rate movements would not have a material effect on the Company's financial position or results of operations over the next Fiscal year.

Results of Operations

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

Fiscal 1999 compared with Fiscal 1998

Revenues increased $125.7 million, or 40.2% to $438.5 million in 1999 from $312.8 million in 1998. Approximately $110.6 million of the increase in revenues in 1999 compared with 1998 is attributable to increased compensated resident days resulting from the opening of six new facilities in 1999 and increased compensated resident days at ten facilities that opened in 1998 (see Table 1 on page 25). Approximately $8.9 million of the increase in revenues represents project revenue for the development of the South Florida State Hospital. The balance of the increase in revenues was attributable to facilities open during all of both periods.

The number of compensated resident days in domestic facilities increased to 8.5 million in 1999 from 6.8 million in 1998. Average facility occupancy in domestic facilities increased slightly to approximately 97.4% of capacity compared to 95.4% in 1998. Compensated resident days in Australian facilities increased to 1.1 million from 0.9 million in 1998 primarily due to higher compensated resident days at the immigration detention facilities. Average facility occupancy in Australian facilities decreased slightly to 96.6% in 1999 from 98.2% in 1998.

Operating expenses increased by 43.2% to $389.3 million in 1999 compared to $271.8 million in 1998. As a percentage of revenues, operating expenses increased to 88.8% in 1999 from 86.9% in 1998. This increase primarily reflects the sixteen facilities that were opened in 1999 and 1998, as described above. Additionally, there are a number of secondary factors contributing to the increase which include the following: lease payments to CPV of $20.6 million offset by $1.7 million in amortization of the deferred revenue from the sale of properties to CPV; expenses related to the development of the South Florida State Hospital; and additional expenses related to operations at the East Mississippi Correctional Facility (Mississippi), George W. Hill Correctional Facility (Pennsylvania), Jena Juvenile Justice Center (Louisiana), Lea County Correctional Facility (New Mexico), Guadalupe County Correctional Facility (New Mexico), Ronald McPherson Correctional Facility (Arkansas), and Taft Correctional Facility (California). The Company has developed strategies to improve the operational performance of these facilities, however, there can be no assurances that these strategies will be successful.

Depreciation and amortization increased by 50.1% to $5.4 million in 1999 from $3.6 million in 1998 due to the increase in operational assets during 1999 as compared to 1998. As a percentage of revenues, depreciation and amortization slightly increased to 1.2% from 1.1% in 1998.

Contribution from operations increased 17.3% to $43.8 million in 1999 from $37.4 million in 1998. As discussed above, this increase is primarily attributable to sixteen new facilities that opened in 1999 and 1998. As a percentage of revenue, contribution from operations decreased to 10.0% in 1999 from 11.9% in 1998. This decrease is primarily due to the factors impacting the increase in operating expenses as discussed previously.

General and administrative expenses increased 19.6% to $17.8 million in 1999 from $14.9 million in 1998. The increase reflects costs related to additional personnel and infrastructure, continued growth in the Company's business development efforts, as well as additional costs related to the Company's service agreement with The Wackenhut Corporation. As a percentage of revenue, general and administrative expenses decreased to 4.1% in 1999 from 4.7% in 1998.

Operating income increased by 15.7% to $26.0 million in 1999 from $22.5 million in 1998. As a percentage of revenue, operating income decreased to 5.9% in 1999 from 7.2% in 1998 due to the factors impacting contribution from operations offset by leveraging of general and administrative expenses.

Other income increased 110.0% to $5.1 million in 1999 from $2.4 million in 1998. This increase is primarily due to a $2.6 million gain from the sale of approximately one-half of the Company's loans to overseas affiliates. These loans were previously included in "Investments in and advances to affiliates" in the accompanying consolidated balance sheets.

Income before income taxes, equity in earnings of affiliates, and cumulative effect of change in accounting for start-up costs increased to $31.1 million in 1999 from $24.9 million in 1998 due to the factors described previously.

Provision for income taxes increased to $12.5 million in 1999 from $10.2 million in 1998 due to the increase in income before income taxes, offset by the decrease in the effective rate to 40.1% in 1999 from 40.8% in 1998.

Equity in earnings of affiliates, net of income tax provision, increased 59.0% to $3.3 million in 1999 from $2.1 million in 1998 due to the commencement of home monitoring contracts in January 1999 and the opening of H.M. Prison Kilmarnock in March 1999, the Hassockfield Secure Training Centre in Medomsley, England in September 1999 and H.M. Prison Pucklechurch in Pucklechurch, England in November 1999.

Cumulative effect of change in accounting for start-up costs, net of tax decreased to zero in 1999 from $11.5 million in 1998 due to the implementation of Statement of Position 98-5 in 1998.

Net income increased 314% to $21.9 million in 1999 from $5.3 million in 1998 as a result of the factors described above.

Fiscal 1998 compared with Fiscal 1997

Revenues increased $105.8 million, or 51.1%, to $312.8 million in 1998 from $206.9 million in 1997. Approximately $103.7 million of the increase in revenues in 1998 compared with 1997 is attributable to increased compensated resident days resulting from the opening of ten new domestic facilities in 1998 and increased compensated resident days at thirteen facilities that opened in 1997 (see Table 1 on page 25). The balance of the increase in revenues was attributable to facilities open during all of both periods.

The number of compensated resident days in domestic and Australian facilities increased to 7.7 million in 1998 from 5.2 million in 1997. Average facility occupancy in domestic and Australian facilities decreased slightly to 95.4% and 98.2% in 1998 as compared to 96.9% and 100% in 1997, respectively.

Operating expenses increased by 58.0% to $271.8 million in 1998 from $172.0 million in 1997 resulting from the new facilities opened in 1998 and 1997. As a percentage of revenues, operating expenses increased to 86.9% from 83.1% due primarily to lease payments to CPV and higher start-up expenses related to the opening of ten new domestic facilities during the year (see Table 1) and the Company's implementation of SOP 98-5.

Depreciation and amortization decreased by 43.4% to $3.6 million in 1998 from $6.3 million in 1997. This decrease results from the implementation of AICPA SOP 98-5 and the elimination of start-up cost amortization during the year.

Contribution from operations increased 30.6% to $37.4 million in 1998 from $28.6 million in 1997. As discussed above, this increase is due to new facilities opened in 1998 and 1997. As a percentage of revenues, contribution from operations decreased to 11.9% from 13.8% impacted by lease payments to CPV which commenced in April 1998 and the expensing of $7.5 million of start-up costs, partially offset by the decrease in amortization expense.

General and administrative expenses increased by 23.2% to $14.9 million in 1998 from $12.1 million in 1997. This reflects increased business development activities and additional infrastructure including expansion of the Company's regional offices. General and administrative expenses decreased to 4.7% of total revenues in 1998 from 5.8% in 1997.

Operating income increased by 36.0% to $22.5 million in 1998 from $16.5 million in 1997 as result of the factors described above. As a percentage of revenue, operating income decreased to 7.2% from 8.0% due to the factors impacting contribution from operations offset by leveraging of overhead.

Interest income was $2.4 million in 1998 compared to interest income of $1.5 million in 1997, resulting from an increase in average invested cash related to the sale of facilities to CPV and to the return on investment in overseas projects.

Income before income taxes, equity in earnings of affiliates and cumulative effect of change in accounting for start-up costs increased to $24.9 million in 1998 from $18.0 million in 1997 due to the factors described above.

Provision for income taxes increased to $10.2 million in 1998 from $7.2 million in 1997 due to higher taxable income and an increase in the Company's effective tax rate to 40.8% from 40.2% in 1997.

Equity in earnings of affiliates increased to $2.1 million in 1998 from $1.1

million in 1997. This increase is due to the opening of H.M. Prison Lowdham Grange in February 1998, and improved operational performance.

Income before cumulative effect of change in accounting for start-up costs increased 41.7% to $16.8 million in 1998 from $11.9 million in 1997 as a result of the factors discussed above.

Cumulative effect of change in accounting for start-up costs, net of tax was $11.5 million in 1998, representing the Company's adoption of SOP 98-5. On a diluted basis, the cumulative effect of the change in accounting principle was $0.51 per share.

Net income decreased by 55.4% to $5.3 million in 1998 from $11.9 million in 1997 resulting solely from the Company's implementation of SOP 98-5.

Table 1 :

The following table summarizes certain information with respect to facilities opened by the Company (or a subsidiary or joint venture of the Company) during Fiscal years 1999, 1998, and 1997.

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Opening Date	Term	Renewal Option
CORRECTIONAL FACILITIES OPENED IN 1999:							
Guadalupe County Correctional Facility Santa Rosa, New Mexico	Design/ Construction/ Management	600	State Prison	Medium	January 1999	3 years	Annual
H.M. Prison Kilmarnock Kilmarnock, Scotland	Design/ Construction/ Management	500	National Prison	All levels	March 1999	25 years	None
Victoria Police Custody Center Melbourne, Australia	Management	80	City Jail	All levels	March 1999	3 years	Two One-year Options
East Mississippi Correctional Facility Meridian, Mississippi	Design/ Construction/ Management	500	State Prison	Mental Health	April 1999	5 years	One Two-year Option
Michigan Youth Correctional Facility Baldwin, Michigan	Design/ Construction/ Management	480	State Prison	Maximum	July 1999	4 years	Unlimited, Four-year terms
Hassockfield Secure Training Centre Medomsley, England	Design/ Construction/ Management	40	National Prison	Medium	September 1999	15 years	None
Curtin Immigration Reception & Processing Centre Derby, Western Australia	Management	1,000	Immigration Detention	All levels	October 1999	3 years (3)	Two Three-year
H.M. Prison Pucklechurch Pucklechurch, England	Design/ Construction/ Management	400	National Prison	Medium	November 1999	25 years	None
Woomera Immigration Reception & Processing Centre Woomera, South Australia	Management	1,000	Immigration Detention	All levels	November 1999	3 years (3)	Two Three-year
CORRECTIONAL FACILITIES OPENED IN 1998:							
Scott Grimes Correctional Facility Newport, Arkansas	Design/ Construction/ Management	600	State Prison	Minimum/ Medium	January 1998	2 years	Unlimited, Two-year
Ronald McPherson Correctional Facility Newport, Arkansas	Design/ Construction/ Management	600	State Prison	All levels	January 1998	2 years	Unlimited, Two-year
Karnes County Correctional Center Karnes City, Texas	Management	579	County Jail	All levels	January 1998	Varies (1)	Varies (1)
Broward County Work Release Center Broward County, FL	Design/ Construction/ Management	300	Community Work Release Center	Non-Secure	February 1998	5 years	Unlimited, Two-year

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Opening Date	Term	Renewal Option
H.M. Prison Lowdham Grange Nottinghamshire, England	Management	524	National Prison	All levels	February 1998	25 years	None
Lea County Correctional Facility Hobbs, New Mexico	Design/ Construction/ Management	1,200	County Jail	All levels	May 1998	3 years	Annual
Lawton Correctional Facility Lawton, Oklahoma	Design/ Construction/ Management	1,800	State Prison	Medium	July 1998	1 year	Four One-year
George W. Hill Correctional Facility Thornton, Pennsylvania	Design/ Construction/ Management	1,562 (2)	County Jail Facility	All levels	July 1998	5 years	Unlimited, Two-year
Jena Juvenile Justice Center Jena, Louisiana	Design/ Construction/ Management	276	Juvenile Center	All levels	December 1998	25 years	None
Cleveland Correctional Center Cleveland, Texas	Management	520	State Prison	Medium	January 1999	1 year	Four One-year
OTHER FACILITIES OPENED IN 1998:							
South Florida State Hospital Pembroke Pines, Florida	Design/ Construction/ Management	350	State Psychiatric Hospital	N/A	November 1998	5 years	Three Five-year
CORRECTIONAL FACILITIES OPENED IN 1997:							
South Bay Correctional Facility South Bay, Florida	Design/ Construction/ Management	1,436	State Prison	Medium/ Close Custody	February 1997	3 years	Unlimited, Two-year
Bayamon Correctional Facility Bayamon, Puerto Rico	Design/ Construction/ Consultation/ Management	500	Prison	Medium	March 1997	5 years	One, Five-year
Travis County Community Justice Center Travis County, Texas	Design/ Consultation/ Management	1,000	State Jail Facility	Medium	March 1997	5 years	Automatic, Unlimited, Two-year
Queens Private Correctional Facility Queens, New York	Construction/ Management	200	INS Detention Facility	Minimum/ Medium	March 1997	1 year	Four, One-year
Fulham Correctional Centre Victoria, Australia	Design/ Consultation/ Management	660	State Prison	Minimum/ Medium	March 1997	5 years	Five, Three-year
Villawood Detention Centre Sydney, Australia	Management	300	Immigration Detention	All levels	November 1997	3 years	Two Three-year
Central Valley Community Correctional Facility McFarland, Texas	Design/ Construction/ Management	550	State Community Correctional Facility	Medium	December 1997	10 years	None

Facility Name Location	Company Role	Design Capacity	Facility Type	Security Level	Opening Date	Term	Renewal Option
Desert View Community Correctional Facility Adelanto, California	Design/ Construction/ Management	568	State Community Correctional Facility	Medium	December 1997	10 years	None
Golden State Community Correctional Facility McFarland, California	Design/ Construction/ Management	550	State Community Correctional Facility	Medium	December 1997	10 years	None
Maribyrnong Detention Centre Melbourne, Australia	Management	80	Immigration Detention	All levels	December 1997	3 years	Two Three-year
Perth Detention Centre Perth, Australia	Management	40	Immigration Detention	All Levels	December 1997	3 years	Two Three-year
Port Hedland Detention Center Port Hedland, Australia	Management	700	Immigration Detention	All levels	December 1997	3 years	Two Three-year
Taft Correctional Institution Taft, California	Management	2,048	Federal Prison	Low/ Medium	December 1997	3 years	Seven, One-year
OTHER FACILITIES OPENED IN 1997:							
Atlantic Shores Hospital Fort Lauderdale, Florida	Management	72	Psychiatric Hospital	N/A	July 1997	N/A	N/A
Pacific Shores Healthcare Victoria, Australia	Management	N/A	Correctional Healthcare	All levels	November 1997	3 years	One Two-year

(1) This facility is occupied by inmates under several contracts with varying terms and renewal options. The terms of these contracts range from two weeks to an indefinite period and the renewal option features range from no option to unlimited renewals.
(2) The new 1,562-bed facility replaced the existing 1,000-bed facility managed by the Company.
(3) This facility represents additional work under the current Detention Services contractual agreement with the Department of Immigration & Multicultural Affairs (DIMA), and is subject to a six-week termination clause depending on client need.

Wackenhut Corrections Corporation
Consolidated Statements of Income
(In thousands, except per share data)

FISCAL YEARS ENDED JANUARY 2, 2000, JANUARY 3, 1999, and DECEMBER 28, 1997

	1999	1998	1997
REVENUES	$ 438,484	$ 312,759	$ 206,930
OPERATING EXPENSES (including amounts related to The Wackenhut Corporation (TWC) of $9,454, $8,182, and $5,337)	389,325	271,840	172,031
DEPRECIATION AND AMORTIZATION	5,355	3,567	6,303
CONTRIBUTION FROM OPERATIONS	43,804	37,352	28,596
GENERAL AND ADMINISTRATIVE EXPENSES (including amounts related to TWC of $3,229, $2,159, and $1,566)	17,763	14,851	12,051
OPERATING INCOME	26,041	22,501	16,545
OTHER INCOME, NET (including amounts related to TWC of $492, $122, and ($10))	5,062	2,410	1,451
INCOME BEFORE INCOME TAXES, EQUITY IN EARNINGS OF AFFILIATES, AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR START-UP COSTS	31,103	24,911	17,996
PROVISION FOR INCOME TAXES	12,472	10,164	7,226
INCOME BEFORE EQUITY IN EARNINGS OF AFFILIATES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR START-UP COSTS	18,631	14,747	10,770
EQUITY IN EARNINGS OF AFFILIATES, (net of income tax provision of $2,215, $1,434, and $692)	3,309	2,081	1,105
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR START-UP COSTS	21,940	16,828	11,875
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR START-UP COSTS, NET OF TAX	--	11,528	--
NET INCOME	$ 21,940	$ 5,300	$ 11,875
EARNINGS PER SHARE			
Basic			
Income before cumulative effect of change in accounting for start-up costs	$ 1.01	$ 0.76	$ 0.54
Cumulative effect of change in accounting for start-up costs	--	(0.52)	--
Net income	$ 1.01	$ 0.24	$ 0.54
Diluted			
Income before cumulative effect of change in accounting for start-up costs	$ 1.00	$ 0.74	$ 0.52
Cumulative effect of change in accounting for start-up costs	--	(0.51)	--
Net income	$ 1.00	$ 0.23	$ 0.52
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING	21,652	22,119	22,015
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	22,015	22,683	22,697

THE ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

Wackenhut Corrections Corporation
Consolidated Balance Sheets
(In thousands, except share data)

JANUARY 2, 2000 and JANUARY 3, 1999

	1999	1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 41,029	$ 20,240
Accounts receivable, less allowance for doubtful accounts of $1,499 and $401	77,779	61,188
Current portion of deferred income tax asset, net	3,069	1,769
Other	13,016	11,267
Total current assets	134,893	94,464
PROPERTY AND EQUIPMENT, NET	43,360	33,005
INVESTMENTS IN AND ADVANCES TO AFFILIATES	20,686	15,447
GOODWILL	1,776	2,011
DEFERRED INCOME TAX ASSET, NET	--	1,277
OTHER	7,507	1,804
	$ 208,222	$ 148,008
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	12,631	5,944
Accrued payroll and related taxes	11,305	9,955
Accrued expenses	28,553	9,850
Current portion of deferred revenue	3,027	2,383
Current portion of long-term debt	--	13
Total current liabilities	55,516	28,145
DEFERRED INCOME TAX LIABILITY, NET	3,797	--
LONG-TERM DEBT	15,000	200
DEFERRED REVENUE	15,225	16,723
COMMITMENTS AND CONTINGENCIES (note 6)		
SHAREHOLDERS' EQUITY		
Preferred stock, $.01 par value, 10,000,000 shares authorized	--	--
Common stock, $.01 par value, 60,000,000 shares authorized, 22,386,992 and 22,347,922 shares issued and outstanding	224	223
Additional paid-in capital	83,699	83,164
Retained earnings	53,463	31,523
Accumulated other comprehensive loss	(1,902)	(3,117)
Less: common stock in treasury at cost - 878,000 and 453,500 shares, respectively	(16,800)	(8,853)
Total shareholders' equity	118,684	102,940
	$ 208,222	$148,008

THE ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

Wackenhut Corrections Corporation
Consolidated Statements of Cash Flows
(In thousands)
FISCAL YEARS ENDED JANUARY 2, 2000, JANUARY 3, 1999, and DECEMBER 28, 1997

	1999	1998	1997
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	$ 21,940	$ 5,300	$ 11,875
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization expense	5,355	3,567	6,303
Deferred tax provision	2,021	(3,723)	6,751
Equity in earnings of affiliates	(3,309)	(2,081)	(1,105)
Cumulative effect of change in accounting for start-up costs	--	11,528	--
Changes in assets and liabilities			
(Increase) decrease in assets:			
Accounts receivable	(17,051)	(24,745)	(12,623)
Other current assets	(1,997)	(5,561)	(3,606)
Deferred income tax asset	(23)	(3,046)	--
Other assets	(5,139)	(1,053)	(201)
Goodwill	--	--	(782)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	18,874	10,677	3,296
Accrued payroll and related taxes	1,228	1,740	4,027
Deferred income taxes, net	3,797	(7,259)	7,442
Deferred revenue	(854)	694	--
Net cash provided by (used in) operating activities	24,842	(13,962)	21,377
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investments in affiliates	(5,528)	(4,607)	(3,718)
Repayments of investments in affiliates	1,442	--	--
Proceeds from the sale of loans	9,997	--	--
Gain on sale of loans	(2,608)	--	--
Capital expenditures	(38,966)	(24,516)	(23,965)
Proceeds from sales of facilities to CPV	23,881	41,768	--
Deferred charge expenditures	--	--	(9,625)
Net cash (used in) provided by investing activities	(11,782)	12,645	(37,308)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from the exercise of stock options	215	1,928	1,760
Payments on debt	(213)	(12)	(12)
Advances to TWC	(23,102)	(175,091)	(116,019)
Repayments from TWC	23,102	175,091	116,019
Proceeds from long-term debt	15,000	--	--
Repurchase of common stock	(7,947)	(8,853)	--
Net cash provided by (used in) financing activities	7,055	(6,937)	1,748
EFFECT OF EXCHANGE RATE CHANGES ON CASH	674	(466)	(1,225)
NET INCREASE (DECREASE) IN CASH	20,789	(8,720)	(15,408)
CASH, BEGINNING OF PERIOD	20,240	28,960	44,368
CASH, END OF PERIOD	$ 41,029	$ 20,240	$ 28,960
SUPPLEMENTAL DISCLOSURES:			
Cash paid during the year for:			
Income taxes	$ 7,867	$ 16,849	$ 100
Non-cash activities:			
Impact on equity from tax benefit related to the exercise of options issued under the Company's non-qualified stock option plan	$ 321	$ 3,231	$ 3,263

THE ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

Wackenhut Corrections Corporation
Consolidated Statements of Shareholders' Equity and Comprehensive Income
(In thousands)

FISCAL YEARS ENDED JANUARY 2, 2000, JANUARY 3, 1999, and DECEMBER 28, 1997

	Common Stock Number Of Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Shareholders' Equity
BALANCE, DECEMBER 29, 1996	21,938	$ 219	$ 72,986	$ 14,348	$ 416	--	$ 87,969
Proceeds from stock options exercised	231	3	1,757	--	--	--	1,760
Tax benefit related to employee stock options	--	--	3,263	--	--	--	3,263
Comprehensive income							
Net income	--	--	--	11,875	--	--	
Change in foreign currency translation, net of income tax benefits of $1,644	--	--	--	--	(2,572)	--	
Total comprehensive income	--	--	--	--	--	--	9,303
BALANCE, DECEMBER 28, 1997	22,169	222	78,006	26,223	(2,156)	--	102,295
Proceeds from stock options exercised	179	1	1,927	--	--	--	1,928
Tax benefit related to employee stock options	--	--	3,231	--	--	--	3,231
Treasury Stock purchased	--	--	--	--	--	(8,853)	(8,853)
Comprehensive income							
Net income	--	--	--	5,300	--	--	
Change in foreign currency translation, net of income tax benefits of $614	--	--	--	--	(961)	--	
Total comprehensive income	--	--	--	--	--	--	4,339
BALANCE, JANUARY 3, 1999	22,348	223	83,164	31,523	(3,117)	(8,853)	102,940
Proceeds from stock options exercised	39	1	214	--	--	--	215
Tax benefit related to employee stock options	--	--	321	--	--	--	321
Treasury stock purchased	--	--	--	--	--	(7,947)	(7,947)
Comprehensive income							
Net income	--	--	--	21,940	--	--	
Change in foreign currency translation, net of income tax expense of $813	--	--	--	--	1,215	--	
Total comprehensive income	--	--	--	--	--	--	23,155
BALANCE, JANUARY 2, 2000	22,387	$ 224	$ 83,699	$ 53,463	$(1,902)	$ (16,800)	$ 118,684

THE ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

Wackenhut Corrections Corporation
Notes to Consolidated Financial Statements

For the Fiscal Years Ended January 2, 2000, January 3, 1999, and December 28, 1997.

(1) General

Wackenhut Corrections Corporation, a Florida corporation, and subsidiaries (the "Company"), a majority owned subsidiary of The Wackenhut Corporation ("TWC"), is a leading developer and manager of privatized correctional, detention and public sector mental health services facilities located in North America, the United Kingdom, South Africa and Australia.

(2) Summary of Significant Accounting Policies

Fiscal Year

The Company's fiscal year ends on the Sunday closest to the calendar year end. Fiscal 1998 included 53 weeks and Fiscal 1999 and 1997 each included 52 weeks.

Basis of Financial Statement Presentation

The consolidated financial statements include the accounts of the Company and its subsidiaries. Investments in 20 percent to 50 percent owned affiliates are accounted for under the equity method. All significant intercompany transactions and balances between the Company and its subsidiaries have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform with current year presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, other receivables, notes payable, accounts payable and long-term debt approximates fair value.

Cash and Cash Equivalents

The Company classifies as cash equivalents all interest-bearing deposits or investments with original maturities of three months or less.

Inventories

Food and supplies inventories are carried at the lower of cost or market, on a first-in first-out basis and are included in "other current assets" in the accompanying consolidated balance sheets. Uniform inventories are carried at amortized cost and are amortized over a period of eighteen months. The current portion of unamoritized uniforms is included in "other current assets". The long-term portion is included in "other assets" in the accompanying consolidated balance sheets.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of related assets. Accelerated methods of depreciation are generally used for income tax purposes. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement or the term of the lease.

Long-lived Assets

Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," requires that long-lived assets, including certain identifiable intangibles, and the goodwill related to those assets, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset in question may not be recoverable. Management has reviewed the Company's long-lived assets and has determined that there are no events requiring impairment loss recognition. Events that would trigger an impairment assessment include deterioration of profits for a business segment that has long-lived assets, or when other changes occur which might impair recovery of long-lived assets. The method used to measure impairment would be undiscounted operating cash flows estimated over the remaining amortization period for the related long-lived assets.

Goodwill

Goodwill represents the cost of an acquired enterprise in excess of the fair market value of the net tangible and identifiable intangible assets acquired. Goodwill is amortized on a straight-line basis over the period, which represents management's estimation of the related benefit to be derived from the acquired business, not to exceed twenty-five years. Accumulated amortization totaled approximately $1.7 million and $1.4 million at January 2, 2000 and January 3, 1999, respectively.

Deferred Charges

Through December 28, 1997, the Company capitalized and amortized facility start-up costs, consisting of costs of initial employee training, travel and other direct expenses incurred in connection with the opening of new facilities, on a straight-line basis over the lesser of the original contract term plus renewals or five years.

Also through December 28, 1997, project development costs consisting of direct and incremental costs paid to unrelated third parties that were directly associated with a specific anticipated contract were deferred until the anticipated contract had been awarded. At the time the contract was awarded to the Company, the deferred project development costs were either capitalized as part of property and equipment or were amortized over five years as project development costs. Project development costs were charged to general and administrative expenses when the success of obtaining a new contract was considered doubtful. Internal costs associated with securing new contracts are expensed as incurred.

In April 1998, the Financial Accounting Standards Board issued Statement of Position 98-5 ("SOP 98-5") on accounting for costs of start-up that requires the expensing of start-up costs as incurred. By adopting SOP 98-5 in Fiscal 1998, the Company wrote-off existing unamortized start-up costs and project development costs of $19.5 million (or $11.5 million after-tax) to record the cumulative effect of the change in accounting principle. Also, upon adoption, the Company reversed start-up amortization expense recorded during Fiscal 1998 and expensed start-up and project development costs previously deferred during Fiscal 1998. All 1999 and future start-up and project development costs are expensed as incurred.

Deferred Revenue

Deferred revenue primarily represents the unamortized net profit on the development of properties and on the sale of properties by the Company to Correctional Properties Trust ("CPV"), a Maryland real estate investment trust. The Company leases these properties back from CPV under operating leases. Deferred revenue is being amortized over the lives of the leases and is recognized in income as a reduction of rental expenses.

Revenue Recognition

Facility management revenues are recognized as services are provided based on a net rate per day per inmate or on a fixed monthly rate. Project development and design revenues are recognized as earned on a percentage of completion basis measured by the percentage of costs incurred to date as compared to estimated total cost for each contract. This method is used because management considers costs incurred to date to be the best available measure of progress on these contracts. Provisions for estimated losses on uncompleted contracts are made in the period in which the Company determines that such losses are probable. Contract costs include all direct material and labor costs and those indirect costs related to contract performance. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are determined on the estimated future tax effects of differences between the financial reporting and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the asset or liability from year to year.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding. In the computation of diluted earnings per share, the weighted-average number of common shares outstanding is adjusted for the effect of all potential common stock.

Foreign Currency Translation

The Company's foreign operations use the local currency as their functional currency. Assets and liabilities of the operations are translated at the exchange rates in effect on the balance sheet date. Income statement items are translated at the average exchange rates for the year. The impact of currency fluctuation is included in shareholders' equity as a component of accumulated other comprehensive income.

Accounting Pronouncements

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities." The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. SFAS 133, as amended by SFAS No. 137, is effective for fiscal years beginning after June 15, 2000. In management's opinion, the impact of adopting this statement in 2001 will not have a material impact upon the Company's results of operations or financial position.

(3) Property and Equipment

Property and equipment consist of the following at fiscal year end:

(In thousands)

	Years	1999	1998

Land	---	$ 2,036	$ 2,069
Buildings and improvements	2 to 40	16,861	9,361
Equipment	3 to 20	9,432	6,760
Furniture and fixtures	3 to 20	1,798	1,994
Construction in progress	---	21,191	18,038
		$ 51,318	$ 38,222
Less-accumulated depreciation		(7,958)	(5,217)
		$ 43,360	$ 33,005

Construction in progress represents costs incurred in the development of facilities intended for sale to third parties and renovation costs associated with leased facilities.

(4) Long-Term Debt

Long-term debt consists of the following:

(In thousands)

	1999	1998
Revolving credit facility	$ 15,000	$ --
Note payable - 8%	--	213
Less - current portion	--	13
	$15,000	$ 200

In June 1994, the Company signed an unsecured note payable in the amount of $262,000, bearing an interest rate of 8.0%, for the purchase of land for the construction of a correctional facility. The note was repaid in 1999.

In December 1997, the Company entered into a $30.0 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 of up to $5.0 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. At January 2, 2000, the interest rate for this facility was 8.0%. 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 January 2, 2000, $15 million was outstanding under this facility, in addition to six standby letters of credit in an aggregate amount of approximately $2.6 million. At January 2, 2000, the Company also had outstanding eight letters of guarantee totaling approximately $3.5 million under a separate Australian facility.

Aggregate annual maturities of long-term debt are as follows:

(In thousands)

Fiscal Year		Annual Maturity
2000		$ --
2001		--
2002	15,000	15,000
		$ 15,000

(5) Sale of Facilities to Correctional Properties Trust

On April 28, 1998, Correctional Properties Trust ("CPV"), a Maryland real estate investment trust, sold 6.2 million shares of common stock at an offering price of $20.00 per share in an initial public offering. Approximately $113.0 million of the net proceeds of the offering were used to acquire eight correctional and detention facilities operated by the Company. The Company received approximately $42.0 million for the three facilities owned by it and for the rights to acquire four of the other five facilities, and realized a profit of approximately $18.0 million. The eighth facility was purchased directly from the government entity. CPV also was granted the option to acquire three additional correctional facilities and the fifteen-year right to acquire and lease back future correctional and detention facilities developed or acquired by the Company. On October 30, 1998, CPV acquired the completed portion of the ninth facility for $26.0 million. During Fiscal 1999, CPV acquired a 600-bed expansion of the ninth facility and the right to acquire a tenth facility for $67.7 million. Sub-sequent to January 2, 2000, CPV purchased an eleventh facility that the Company had the right to acquire for $15.3 million.

Simultaneous with the purchases, the Company entered into a ten-year operating lease of these facilities from CPV. As the lease agreements are subject to contractual lease increases, the Company records operating lease expense for these leases on a straight-line basis over the term of the leases.

The deferred unamortized net profit at January 2, 2000, which is included in "Deferred revenue" in the accom-panying consolidated balance sheets, is $14.9 million with $1.8 million short-term and $13.1 million long-term, excluding the long-term portion of deferred development fee revenue. The net profit is being amortized over the ten-year lease terms. The Company recorded net rental expense related to CPV in 1999 and 1998 of $18.9 million and $6.9 million, respectively. The future minimum lease commitments under the leases for these eleven facilities are as follows:

(In thousands)

Fiscal Year	Annual Rental
2000	$ 22,280
2001	22,633
2002	22,703
2003	22,703
2004	22,703
Thereafter	84,227
	$ 197,249

(6) Commitments and Contingencies

The nature of the Company's business results in claims for damages arising from the conduct of its employees or others. In the opinion of management, there are no pending legal proceedings, except those disclosures made below, for which the potential impact if decided unfavorable to the Company could have a material adverse effect on the consolidated financial statements of the Company.

In Texas, grand juries have been convened in Travis and Caldwell Counties and are taking testimony regarding alleged sexual misconduct and document tampering by individuals employed or formerly employed by the Company. At this time, the Company is unable to predict the outcome of these investigations and any potential impact on the financial position, net worth or results of operations of the Company.

On August 31, 1999, the Company announced the mutual decision between the Company, the Texas Department of Criminal Justice State Jail Division ("TDCJ") and Travis County, Texas to discontinue the Company's contract for the operation of the Travis County Community Justice Center. The contract was discontinued effective November 8, 1999. The Company is involved in discussions with TDCJ regarding close-out of all contract claims. The Company cannot predict the outcome of these discussions at this time.

In New Mexico, the Company has been in discussions with the State's Department of Corrections and the Legislative Finance Committee to remedy serious operational issues at the Company's facilities in Lea and Guadalupe Counties. The Company has developed and presented to the State of New Mexico (the "State") recommended contract modifications with associated operational and fiscal resource needs for both facilities. The Company can give no assurances as to the ultimate acceptability of these contract modifications by the State. Additionally, the Company has submitted a proposal to the Federal Bureau of Prisons for the Lea County Correctional Facility for its possible use to hold low security criminal aliens.

The Company leases correctional facility office space, computers and vehicles under non-cancelable operating leases expiring between 2000 and 2009. The future minimum commitments under these leases exclusive of lease commitments related to the sale of correctional facilities to CPV (Note 5), are as follows:

(In thousands)

Year	Annual Rental
2000	$ 8,710
2001	7,882
2002	7,537
2003	7,537
2004	7,537
Thereafter	37,685
	$ 76,888

Rent expense was approximately $8.7 million, $4.7 million, and $3.4 million for Fiscal 1999, 1998, and 1997 respectively.

In December 1997, the Company also entered into a $220.0 million operating lease facility that has been established to acquire and develop new correctional institutions used in its business. As a condition of this facility, the Company unconditionally agreed to guarantee certain obligations of First Security Bank, National Association, a party to the aforementioned operating lease facility. As of January 2, 2000, approximately $88.7 million of this operating lease facility was utilized for properties under development.

(7) Common, Preferred and Treasury Stock

In April 1994, the Company's Board of Directors authorized 10,000,000 shares of "blank check" preferred stock. The Board of Directors is authorized to determine the rights and privileges of any future issuance of preferred stock such as voting and dividend rights, liquidation privileges, redemption rights and conversion privileges.

On August 7, 1998, the Board of Directors of the Company authorized the repurchase, at the discretion of the senior management, of up to 500,000 shares of the Company's common stock. In February 1999, the Company's Board of Directors authorized the repurchase of up to an additional 500,000 shares of the Company's common stock. As of January 2, 2000, the Company had repurchased 878,000 shares of the one million common shares authorized for repurchase at an average price of $19.13. The repurchased shares are recorded as treasury stock and result in a reduction of shareholders' equity.

Subsequent to January 2, 2000, the Company's Board of Directors authorized the purchase of up to an additional 500,000 shares of the Company's common stock.

(8) Business Segment and Geographic Information

In June 1997, the FASB issued SFAS 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information" which was adopted by the Company in 1998. SFAS 131 establishes standards for reporting information about operating segments and related disclosures about products and services, geographic areas and major customers.

The Company operates in one industry segment encom-passing the development and management of privatized government institutions located in North America, the United Kingdom, South Africa and Australia.

As the Company operates and tracks its results in one operating segment, certain disclosure requirements are not applicable. Information about the Company's operations in different geographical regions is shown below. Sales are attributed to geographical areas based on location of operations and long-lived assets consist of property, plant and equipment.

(In thousands)

Fiscal Year	1999	1998	1997
REVENUES:			
Domestic operations	$371,333	$264,642	$167,223
International operations	67,151	48,117	39,707
Total revenues	$438,484	$312,759	$206,930
OPERATING INCOME:			
Domestic operations	$ 18,939	$ 18,649	$ 12,388
International operations	7,102	3,852	4,157
Total operating income	$ 26,041	$ 22,501	$ 16,545
LONG-LIVED ASSETS:			
Domestic operations	$ 39,005	$ 28,944	$ 34,061
International operations	4,355	4,061	4,693
Total long-lived assets	$ 43,360	$ 33,005	$ 38,754

The Company's international operations represent its wholly-owned Australian subsidiaries which are pursuing construction and management contracts for correctional and detention facilities. Through its wholly-owned subsidiary, Wackenhut Corrections Corporation Australia Pty. Limited, the Company currently manages four correctional facilities and six immigration detention centers.

Except for the major customers noted in the following table, no single customer provided more than 10% of consolidated revenues during Fiscal 1999, 1998 and 1997:

Customer	1999	1998	1997
Various agencies of the State of Texas	19%	25%	32%
State of Florida Correctional Privatization Committee	19%	11%	13%

Concentration of credit risk related to accounts receivable is reflective of the related revenues.

Equity earnings of affiliates represents the operations of the Company's 50% owned joint venture in the United Kingdom (Premier Custodial Group Limited). This entity and its subsidiaries accounted for under the equity method, commenced operations of an initial prison in Fiscal 1994, two court escort and transport contracts in Fiscal 1996, a second correctional facility in Fiscal 1998 and three correctional facilities and electronic monitoring contracts in Fiscal 1999. Total equity in the undistributed earnings for Fiscal 1999, 1998, and 1997 was $5.5 million, $3.5 million and $1.8 million, respectively.

A summary of financial data for the Company's equity affiliates is as follows:

(In thousands)

	1999	1998	1997
STATEMENT OF OPERATIONS DATA			
Revenues	$147,274	$ 91,071	$ 51,009
Operating income	11,048	7,032	3,884
Net income	6,618	4,163	2,209
BALANCE SHEET DATA			
Current assets	$ 44,213	$ 25,274	$ 14,595
Noncurrent assets	230,581	145,433	517
Current liabilities	26,774	17,769	8,115
Noncurrent liabilities	232,961	141,165	4,029
Stockholders equity	15,059	11,773	2,968

The Company provided management services totaling $0.5 million to one U.K. affiliate in Fiscal 1997. No management fees were charged by the Company in Fiscal 1999 or 1998.

(9) Income Taxes

The provision for income taxes in the consolidated statements of income consists of the following components:

(In thousands)

	1999	1998	1997
Federal income taxes:			
Current	$ 8,621	$ 11,440	$ 175
Deferred	1,843	(3,233)	6,131
	10,464	8,207	6,306
State income taxes:			
Current	$ 1,830	$ 2,447	$ 300
Deferred	178	(490)	620
	2,008	1,957	920
Total	$ 12,472	$ 10,164	$ 7,226

A reconciliation of the statutory U.S. federal tax rate (35.0%) and the effective income tax rate is as follows:

(In thousands)

	1999	1998	1997
Provisions using statutory federal income tax rate	$ 10,886	$ 8,718	$ 6,299
State income tax, net of federal tax benefit	1,367	1,101	818
Other, net	219	345	109
	$ 12,472	$ 10,164	$ 7,226

The components of the net current deferred income tax liability/ (asset) at fiscal year end are as follows:

(In thousands)

	1999	1998
Uniforms	$ 249	$ 320
Allowance for doubtful accounts	(398)	--
Accrued vacation	(579)	(529)
Accrued liabilities	(2,341)	(1,560)
	$(3,069)	$(1,769)

The components of the net non-current deferred income tax liability/ (asset) at fiscal year end are as follows:

(In thousands)

	1999	1998
Depreciation	$ 948	$ --

Deferred revenue	(8,356)	(9,026)
Deferred charges	(489)	(291)
Income of foreign subsidiaries and affiliates	11,675	8,086
Other, net	19	(46)
	$ 3,797	$(1,277)

The exercise of non-qualified stock options which have been granted under the Company's stock option plans give rise to compensation which is includable in the taxable income of the applicable employees and deducted by the Company for federal and state income tax purposes. Such compensation results from increases in the fair market value of the Company's common stock subsequent to the date of grant. In accordance with Accounting Principles Board Opinion No. 25, such compensation is not recognized as an expense for financial accounting purposes and related tax benefits are credited directly to additional paid-in-capital.

(10) Earnings Per Share

The table below shows the amounts used in computing earnings per share 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.

For Fiscal 1999, options to purchase 630,500 shares of the Company's common stock with exercise prices ranging from $13.75 to $26.88 per share and expiration dates between 2006 and 2009 were outstanding at January 2, 2000, but were not included in the computation of diluted EPS because their effect would be anti-dilutive if exercised.

For Fiscal 1998, outstanding options to purchase 178,000 shares of the Company's common stock with exercise prices ranging from $25.06 to $29.56 and expiration dates between 2007 and 2008, were also excluded from the computation of diluted EPS because their effect would be anti-dilutive if exercised.

For Fiscal 1997, options to purchase 1,000 shares of the Company's common stock at $29.56 per share were outstanding during 1997 but were not included in the computation of diluted EPS because their effect would be anti-dilutive. The options, which expire in 2007, were still outstanding at December 28, 1997.

(In thousands except per share data)

	1999	1998	1997
Net Income	$ 21,940	$ 5,300	$11,875
Basic earnings per share:			
Weighted average shares outstanding	21,652	22,119	22,015
Per share amount	$ 1.01	$ 0.24	$ 0.54
Diluted earnings per share:			
Weighted average shares outstanding	21,652	22,119	22,015
Effect of dilutive securities:			
Employee and director stock options	363	564	682
Weighted average shares assuming dilution	22,015	22,683	22,697
Per share amount	$ 1.00	$ 0.23	$ 0.52

(11) Related Party Transactions

Related party transactions occur in the normal course of business between the Company and TWC. Such transactions include the purchase of goods and services and corporate costs for management support, office space, insurance and interest expense.

The Company incurred the following expenses related to transactions with TWC in the following years:

(In thousands)

	1999	1998	1997
Food services	$ --	$ 839	$ 461
General and administrative expenses	2,944	1,718	1,200
Casualty insurance premiums	9,454	7,423	4,957
Rent	286	361	285
Interest (income) expense	(492)	(122)	10
	$ 12,192	$ 10,219	$ 6,913

Food services represent charges for meals for inmates at certain correctional facilities operated by the Company. General and administrative expenses represent charges for management and support services. TWC provides various general and administrative services to the Company under a Services Agreement. The initial Agreement expired December 31, 1997 and provided for one-year renewal periods at the Company's option. Annual rates are negotiated by the Company and TWC based upon the level of service provided.

The Company monitors the scope of these services on an ongoing basis and may adjust the level and related charges as required. Expenses under the Agreement for Fiscal 1999, Fiscal 1998, and Fiscal 1997 were $2.9 million, $1.7 million and $1.2 million, respectively. Casualty insurance premiums related to workers' compensation, general liability and automobile insurance coverage are provided through an insurance subsidiary of TWC. In addition, the Company is charged or charges interest on intercompany indebtedness at rates which reflect TWC's average interest costs on long-term debt, exclusive of mortgage financing. Interest expense (income) is calculated based on the average intercompany indebtedness. The Company's corporate offices are located in TWC's corporate office building for which it is allocated rent based upon space occupied under separate lease agreements.

Management believes that the difference between these expenses and those that would have been incurred on a stand-alone basis is not material.

(12) Stock Options

The Company has four stock option plans: the Wackenhut Corrections Corporation 1994 Stock Option Plan (First Plan), the Wackenhut Corrections Corporation Stock Option Plan (Second Plan), the 1995 Non-Employee Director Stock Option Plan (Third Plan) and the Wackenhut Corrections Corporation 1999 Stock Option Plan (Fourth Plan).

Under the First Plan, the Company may grant up to 897,600 shares of common stock to key employees and consultants. All options granted under this plan are exercisable at the fair market value of the common stock at date of grant, vest 100% after a minimum of six months and no later than ten years after the date of grant.

Under the Second Plan and Fourth Plan, the Company may grant options to key employees for up to 1,500,000 and 550,000 shares of common stock, respectively. Under the terms of these plans, the exercise price per share and vesting period is determined at the sole discretion of the Board of Directors. All options that have been granted under these plans are exercisable at the fair market value of the common stock at date of grant. Generally, the options vest and become exercisable ratably over a five-year period, beginning immediately on the date of grant. However, the Board of Directors has exercised its discretion and has granted options that vest 100% after a minimum of six months. All options under the Second Plan and Fourth Plan expire no later than ten years after the date of grant.

Under the Third Plan, the Company may grant up to 60,000 shares of common stock to non-employee directors of the Company. Under the terms of this plan, options are granted at the fair market value of the common stock at date of grant, become 100% exercisable immediately, and expire ten years after end of grant.

A summary of the status of the Company's four stock option plans as of January 2, 2000, January 3, 1999, and December 28, 1997, and changes during the years then ended is presented below.

	1999		1998		1997	
	Shares	Wtd. Avg. Exercise Price	Shares	Wtd. Avg. Exercise Price	Shares	Wtd. Avg. Exercise Price
Outstanding at beginning of year	929,904	$ 12.78	923,484	$ 9.76	989,534	$ 7.16
Granted	277,500	18.51	191,000	25.02	176,500	21.08
Exercised	39,070	5.50	179,380	9.98	228,550	7.12
Forfeited/Cancelled	17,000	21.67	5,200	21.93	14,000	11.88
Options outstanding at end of year	1,151,334	14.28	929,904	12.78	923,484	9.76
Options exercisable at year end	817,934	11.67	758,904	11.50	629,084	6.13

The following table summarizes information about the stock options outstanding at January 2, 2000:

	Options Outstanding			Options Exercisable	
	Number Outstanding At 1/2/00	Wtd. Avg. Remaining Contractual Life	Wtd. Avg. Exercixe Price	Number Exercisable At 1/2/00	Wtd. Avg. Exercise Price
$ 1.20 - $ 3.75	369,634	4.3	$ 3.47	369,634	$ 3.47
$11.88 - $13.75	153,200	6.0	11.90	153,200	11.90
$14.69 - $16.88	33,000	9.1	15.20	11,000	15.85
$17.63 - $21.50	352,000	8.5	19.51	144,200	19.81
$22.63 - $25.06	231,000	7.7	24.40	129,400	24.22
$26.13 - $26.88	12,500	8.4	26.28	10,500	26.16
	1,151,334			817,934	

The Company accounts for these plans under APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for these plans been determined based on the fair value at date of grant in accordance with FASB Statement No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts as follows:

Pro Forma Disclosures	1999	1998
Pro forma net earnings	$20,599	$ 4,234
Pro forma basic net earnings per share	$ 0.95	$ 0.19
Pro forma diluted net earnings per share	$ 0.94	$ 0.19
Pro forma weighted average fair value of options granted	$ 10.40	$ 14.36
Risk free interest rates	4.63% - 5.91%	4.49% - 5.79%
Expected lives	4-8 years	4-8 years
Expected volatility	54%	55%

(13) Retirement and Deferred Compensation Plans

The Company has two noncontributory defined benefit pension plans covering certain of its executives. Retire-ment benefits are based on years of service, employees' average compensation for the last five years prior to retirement and social security benefits. Currently, the plan is not funded. The Company purchases and is the beneficiary of life insurance policies for each participant enrolled in the plan.

The assumptions for the discount rate and the average increase in compensation used in determining the pension expense and funded status information are 7.5% and 5.5%, respectively.

The total pension expense for 1999, 1998, and 1997 was $0.2 million, $0.1 million, and $0, respectively. The present value of accumulated pension benefits at year-end 1999, 1998, and 1997 was $0.4 million, $0.2 million, and $0.1 million, respectively and is included in "Other liabilities" in the accompanying consolidated balance sheets.

The Company has established a deferred compensation agreement for non-employee directors which allows eligible directors to defer their compensation in either the form of cash or stock. Participants may elect lump sum or monthly payments to be made at least one year after the deferral is made or at the time the participant ceases to be a director. The Company recognized total compensation expense under this plan of $0, $0.1 million and $0.2 million for 1999, 1998, and 1997, respectively.

The liability for the deferred compensation was $0.3 million, $0.3 million and $0.2 million for years ending 1999, 1998 and 1997, respectively, and is included in "Accrued expenses" in the accompanying consolidated balance sheets.

The Company also has a non-qualified deferred compensation plan for employees who are ineligible to participate in the Company's qualified 401(k) plan. Eligible employees may defer a fixed percentage of their salary, which earns interest at a rate equal to the prime rate less 0.75%. The Company matches employee contributions up to $400 each year based on the employee's years of service. Payments will be made at retirement age of 65 or at termination of employment. The expense recognized by the Company in 1999, 1998, and 1997 was $0.2 million, $0.08 million and $0.04 million, respectively. The liability for this plan was $0.38 million, $0.18 million, and $0.1 million, respectively, and is included in "Accrued expenses" in the accompanying consolidated balance sheets.

(14) Selected Quarterly Financial Data (Unaudited)

Selected quarterly financial data for the Company and its subsidiaries for the Fiscal years ended January 2, 2000, and January 3, 1999, is as follows:

(In thousands, except per share data)

1999	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 97,431	$ 106,049	$ 112,046	$ 122,958
Operating income	$ 6,543	$ 6,789	$ 6,934	$ 5,775
Net income	$ 4,839	$ 5,357	$ 5,694	$ 6,050
Basic earnings per share	$ 0.22	$ 0.25	$ 0.26	$ 0.28
Diluted earnings per share	$ 0.22	$ 0.24	$ 0.26	$ 0.28
1998				
Revenues	$ 71,269	$ 74,617	$ 78,177	$ 88,696
Operating income	$ 4,992	$ 6,369	$ 6,101	$ 5,039
Net income (loss)	$ (8,165)	$ 4,652	$ 4,337	$ 4,476
Basic earnings per share				
Income before cumulative effect of change in accounting for start-up costs	$ 0.15	$ 0.21	$ 0.20	$ 0.20
Cumulative effect of change in accounting for start-up costs	$ (0.52)	$ ---	$ ---	$ ---
Net income (loss)	$ (0.37)	$ 0.21	$ 0.20	$ 0.20
Diluted earnings per share				
Income before cumulative effect of change in accounting for start-up costs	$ 0.15	$ 0.20	$ 0.19	$ 0.20
Cumulative effect of change in accounting for start-up costs	$ (0.51)	$ ---	$ ---	$ ---
Net income (loss)	$ (0.36)	$ 0.20	$ 0.19	$ 0.20

Report of Independent Certified Public Accountants

To the Shareholders of
Wackenhut Corrections Corporation:

We have audited the accompanying consolidated balance sheets of Wackenhut Corrections Corporation (a Florida corporation) and subsidiaries as of January 2, 2000, and January 3, 1999, and the related consolidated statements of income, shareholders' equity and comprehensive income and cash flows for each of the three fiscal years in the period ended January 2, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wackenhut Corrections Corporation and subsidiaries as of January 2, 2000, and January 3, 1999, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 2, 2000, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, effective December 29, 1997 the Company changed its method of accounting for costs of start-up activities.

ARTHUR ANDERSEN LLP

West Palm Beach, Florida,
February 15, 2000.

Management's Responsibility for Financial Statements

To the Shareholders of
Wackenhut Corrections Corporation:

The accompanying consolidated financial statements have been prepared in conformity with generally accept-ed accounting principles. They include amounts based on judgments and estimates.

Representation in the consolidated financial statements and the fairness and integrity of such statements are the responsibility of management. In order to meet manage-ment's responsibility, the Company maintains a system of internal controls and procedures and a program of internal audits designed to provide reasonable assurance that the Company's assets are controlled and safe-guarded, that transactions are executed in accordance with management's authorization and properly recorded, and that accounting records may be relied upon in the preparation of financial statements.

The consolidated financial statements have been audited by Arthur Andersen LLP, independent certified public accountants, whose appointment was ratified by shareholders. Their report expresses a professional opinion as to whether management's consolidated financial statements considered in their entirety present fairly, in conformity with generally accepted accounting principles, the Company's financial position and results of operations. Their audit was conducted in accordance with generally accepted auditing standards. As part of this audit, Arthur Andersen LLP considered the Company's system of internal controls to the degree they deemed necessary to determine the nature, timing, and extent of their audit tests which support their opinion on the consolidated financial statements.

The Audit Committee of the Board of Directors meets periodically with representatives of management, the independent certified public accountants and the Com-pany's internal auditors to review matters relating to financial reporting, internal accounting controls and auditing. Both the internal auditors and the independent certified public accountants have unrestricted access to the Audit Committee to discuss the results of their reviews.

George R. Wackenhut
Chairman

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

George C. Zoley
Vice Chairman and Chief Executive Officer

EXHIBIT 21.1

WACKENHUT CORRECTIONS CORPORATION'S SUBSIDIARIES

WACKENHUT CORRECTIONS (UK) LIMITED

WACKENHUT CORRECTIONS CORPORATION AUSTRALIA PTY LIMITED

WACKENHUT CORRECTIONAL SERVICES PTY LIMITED

AUSTRALASIAN CORRECTIONAL MANAGEMENT PTY LIMITED

AUSTRALASIAN CORRECTIONAL INVESTMENT PTY LIMITED

ATLANTIC SHORES HEALTHCARE, INC.

MIRAMICHI YOUTH CENTRE MANAGEMENT, INC.

WACKENHUT CORRECTIONS CANADA, INC.

WACKENHUT CORRECTIONS NETHERLANDS ANTILLES, N.V.

WACKENHUT CORRECTIONS PUERTO RICO, INC.

WCC DEVELOPMENT, INC.

WCC/FL/01, INC.

WCC/FL/02, INC.

WCC REAL ESTATE HOLDINGS, INC.

WACKENHUT CORRECTIONS DESIGN SERVICES, INC.

WCC FINANCIAL, INC.

EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent certified public accountants, we hereby consent to the incorporation of our report incorporated by reference in this Form 10-K, into the Company's previously filed Registration Statement File Nos. 333-17265, 333-09981, 333-09977, 33-90606, and 333-79817.

ARTHUR ANDERSEN LLP

West Palm Beach, Florida,
March 27, 2000.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JANUARY 2, 2000 AND THE CONSOLIDATED STATEMENT OF INCOME FOR THE FISCAL PERIOD ENDING JANUARY 2, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR
JAN-02-2000
JAN-04-1999
JAN-02-2000
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