



CCA to Reduce Staffing at the Northeast Ohio Correctional Center as BOP Notifies of Plan to Transfer District of Columbia Inmates to Other Facilities

April 24, 2001

NASHVILLE, Tenn.--(BUSINESS WIRE)--April 24, 2001--Corrections Corporation of America (NYSE: CXW) announced today that it will experience a temporary phase-out of operations at its Northeast Ohio Correctional Center in Youngstown, Ohio.

CCA officials have announced that the company's current contract with the District of Columbia to house its inmates at Northeast Ohio expires September 8 and will not be renewed due to a new law that mandates the Federal Bureau of Prisons (BOP) to assume jurisdiction of all D.C. offenders by the end of this year. Presently, the Northeast Ohio facility houses about 350 D.C. inmates, but the BOP has begun transferring these offenders to other correctional facilities, where "take or pay" contracts are enforced with the BOP. Under those contractual arrangements, the BOP must pay those facilities whether or not their offenders are housed at those locations. CCA says it is likely that all inmates will be transferred out within the next 120 days. As a result, the facility will not actively operate as of August 18 of this year until a contract with another government corrections system is activated.

In accordance with contractual requirements, local officials have been notified of the company's actions. Recently, approximately 330 facility employees were notified by senior management of the need to reduce staff deployment to more realistic levels based on the current inmate population and these levels were agreed upon by all appropriate parties in the amended Youngstown Agreement. As a result of these new developments, approximately 184 employees who had not previously been notified will receive a written notification this week. Representatives from CCA will work with employees to discuss transfer and promotional opportunities within the company. Warden Brian Gardner will remain at the facility even after any temporary closure, as he works with the corporate office to secure other contracts.

"In light of the BOP's need to relocate these inmates, we believe that it is in the best interest of CCA to take this action at this time," said John D. Ferguson, CCA President and Chief Executive Officer. "It is our desire and intent to find a new customer who has immediate needs for a quality facility like ours at Northeast Ohio. Our customer relationship managers and operations team are aggressively seeking every potential opportunity that will allow us to once again re-hire a full staff to manage a fully utilized facility. We are extremely proud of the excellent caliber of staff who come to work every day and deliver valued services to the offenders under our care. While regrettable, we feel these actions are necessary at this time and we want to work closely with our employees to help them transition to new opportunities, hopefully with CCA."

CCA's Northeast Ohio Correctional Center is a 2,016-bed medium-security prison. The facility has been securely housing inmates for the District of Columbia since its opening in 1997.

About the Company

CCA is the nation's largest provider of detention and corrections services to governmental agencies. The Company is the industry leader in private sector corrections with approximately 61,000 beds in 65 facilities under contract for management in the United States and Puerto Rico. The Company's full range of services includes design, construction, ownership, renovation and management of new or existing jails and prisons, as well as long distance inmate transportation services.

Forward-Looking Statements

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Factors that could cause operating and financial results to differ are described in the Company's Form 10-K, as well as in other documents filed with the Securities and Exchange Commission, and these factors include, but are not limited to, the growth of the private corrections and detention industry, the Company's ability to obtain and maintain facility management contracts and general market conditions. The Company does not undertake any obligation to publicly release the result of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

CONTACT: Corrections Corporation of America, Nashville

Steve Owen, 615/263-3000