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## NEWS

*For Immediate Release*

*February 23, 1999*

### **CORRECTIONAL SERVICES CORPORATION TO DISCONTINUE OPERATIONS AT THE 120 BED BAYAMON DETENTION CENTER IN PUERTO RICO**

Sarasota, Florida -- Correctional Services Corporation ("CSC") (NASDAQ NMS:CSCQ) today announced it will discontinue operations at its 120 bed Juvenile Detention Center in Bayamon, Puerto Rico at the completion of its first year of operations on May 1, 1999. Under its contract, CSC and Administration of Juvenile Institutions (AIJ) were to revise the contract terms after its first year, however, the parties mutually agreed not to re-new the contract.

The Company currently operates an additional 96 bed treatment facility in Bayamon, Puerto Rico for the AIJ set to expand to 141 in July 1999, and has an additional contract with AIJ to begin operations of a 100 bed treatment center at Salinas during the fourth quarter, 1999. The Company has been informed by AIJ that the discontinuation of the Bayamon Juvenile Detention Center will not impact the other contracts.

The Company noted that the conditions and layout of the physical plant at the Bayamon Juvenile Detention Center in combination with very volatile population levels created a difficult working environment with an excessive cost structure. Because the Detention Center houses short-term residents, the facility's population would fluctuate considerably on a daily basis, and often without notice, would significantly exceed its rated capacity. The facility was not of traditional detention design. The violent nature of the detainees, most of whom had gang affiliations, made it extremely difficult to simultaneously maintain CSC's Safety Standards and deliver desired program services. The company's other two contracts in Puerto Rico are treatment centers which house long-term residents and therefore, not subject to the same issues.

"We are disappointed with our inability to successfully negotiate terms for the coming contract year with AIJ. Unfortunately, conditions at the facility led to a cost

structure well in excess of that anticipated at the time of award and CSC would have required a per diem adjustment and changes to the physical plant if we were to continue operation," stated James F. Slattery, Chairman and CEO. "I am very proud of the dedicated staff in Puerto Rico and throughout our company. We continue to maintain the highest standards for our operations and we do not expect any impact on our growth prospects".

Correctional Services Corporation is a leading developer and manager of privatized correctional and detention facilities in the United States. The Company provides a diverse range of Adult and Juvenile programs and services to local, state, and federal governmental agencies. The Company has 37 contracts to manage facilities in twelve (12) states and Puerto Rico with an aggregate of 9,790 beds.

**SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION  
REFORM ACT OF 1995**

This press release contains forward-looking statements involving various risks and uncertainties. Actual results could differ materially from those projected due to factors which may include population fluctuations, acquisition risks, market conditions, government funding and availability of financing. These and other risk factors are outlined in the reports filed by the Company with the Securities and Exchange Commission.

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