

CCA executive quits suddenly

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After two years on the job, James A. Seaton has resigned as chief operating officer of Nashville-based Corrections Corporation of America.

In a release issued Tuesday, the nation's largest private prison operator said Seaton's resignation was effective immediately, but gave no reason for the sudden announcement.

The resignation comes amid a cloud of negative press reports over several recent incidents at CCA-run prisons, including a riot at a Colorado prison, the death of an inmate in Nashville and the escape of a convicted murderer from a minimum-security prison in Whiteville, Tenn.

"Yes, there have been a few operational incidents — no more than is average for a correctional system of our size of over 63,000 inmates, but we are not connecting Jim's resignation to any of those issues," CCA spokeswoman Louise Chickering said Tuesday.

Seaton, a former executive with Sodexo Marriott Services Inc., was appointed as COO in June 2002.

Just last week, in a conference call with investors, company officials reported profits during the recent second quarter of \$14.8 million, up from \$12.1 million the same quarter a year earlier.

CCA — operator of 65 correctional facilities in 20 states and Washington D.C. — has often landed in the spotlight of debates on prison privatization, especially when things go wrong.

Inmates at CCA's Crowley County Correctional Facility in Colorado rioted for five hours on July 20, setting fire to a greenhouse and using weight equipment to destroy property.

The *Denver Post* reported Sunday that a Colorado Department of Corrections review found the official response was dogged by slow-decision making and a lack of communication by the CCA administration.

CCA Chief Executive Officer John Ferguson said during last week's conference call that CCA is cooperating with the department's ongoing investigation. Ferguson said no guards were harmed, public safety was not threatened and inmate injuries were minimal.

"I will say that we are very proud of the way our personnel responded to this situation," he said.

Also on Sunday, *The Arizona Republic* quoted Arizona Department of Corrections Director Dora Schriro as saying that CCA's "poor management" of the Diamondback Correctional Facility in Watonga, Okla., led to a riot there in May. So, Arizona is bringing back inmates housed there under a CCA contract.

CCA also faces a \$60 million lawsuit filed on behalf of an inmate who was killed in the company-run Metro Detention Facility at 5115 Harding Place. Four correctional officers have been put on administrative leave, but the investigation is ongoing. Ferguson called the suit "outlandish" and premature.

"As much as we wish incidents such as this would never happen, unfortunately they are an unwelcome part of the corrections industry," Ferguson said during the conference call.

Michael Quinlan, who had served as COO prior to Seaton's appointment, is stepping back into the role temporarily to assist Ferguson in overseeing company operations and evaluate the

management structure.

“Our intent is to consider whether and when a new chief operating officer will be recruited, or whether some other reporting structure is more appropriate for CCA,” Ferguson stated.

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