



## **Corrections Corporation of America Comments on Incident at Crowley County Correctional Facility - Turns Focus to Assisting Investigation**

July 23, 2004

NASHVILLE, Tenn., July 23, 2004 - On Tuesday, July 20, 2004, an incident occurred at Corrections Corporation of America's (CCA) (NYSE: CXW) Crowley County Correctional Facility. Based on preliminary reports, at about 7:30 p.m., approximately 150 facility inmates became disruptive while in the recreation yard, using weight equipment to destroy property. During the disturbance, inmates caused significant property damage and set fire to a horticulture greenhouse. A second group of inmates located in another area of the prison also participated in vandalism to the property, including living areas. Later that evening order was restored to the facility.

With the disturbance at the Crowley County Correctional Facility under control, Corrections Corporation of America officials said their primary focus is now on assisting and supporting the ongoing efforts of Colorado Department of Corrections investigators to identify the instigators and participants in the incident for the purpose of criminal and/or disciplinary action.

According to standard procedure, CCA is simultaneously conducting a thorough review of the incident to determine all relevant facts and causes, and the extent of property damage. CCA will be preparing an after-action report to be submitted to Colorado officials.

"We have dealt with this matter in a professional and expeditious manner," said CCA President and CEO John Ferguson. "We continue to work hand in hand with the Colorado Department of Corrections and local law enforcement agencies. During this disturbance, the public's safety was not at risk. We are gratified that inmate injuries were limited, and no staff members were injured. Of the thirteen inmates injured, one inmate remains hospitalized; the remaining twelve who were initially sent to the hospital for minor injuries were released and have returned to the facility."

Ferguson added, "An unfortunate but very real element of the corrections business is that incidents of this nature will happen from time to time. We believe that our company will be judged based on how effectively we responded to the situation and what measures we take in our after-action efforts. Should our internal investigation reveal that any added protocols or procedures would improve our operational performance, we absolutely will be prepared to institute any such measures."

Regarding facility property damage, CCA spokesperson Louise Chickering stated, "We are currently assessing the cost of repairs to the facility, as well as business interruption costs. We do expect those costs to be mitigated by insurance."

Due to the damage sustained in some of the housing units, CCA has temporarily transferred approximately 120 inmates to other CCA facilities in Colorado. Approximately 65 Colorado inmates were transferred to other facilities owned by Colorado. CCA expects it will maintain a population of between 800-900 inmates at Crowley during the repair period. Based on preliminary damage assessments, the Company expects the facility to be substantially operational within four to six weeks.

Ferguson stated, "We certainly regret that this incident occurred, and are concentrating our efforts on quickly repairing the damage to the facility and collaborating with the state on its investigation. We look forward to continuing to serve the state of Colorado and our other valued state customers."

### **About the Company**

The Company is the nation's largest owner and operator of privatized correctional and detention facilities and one of the largest prison operators in the United States, behind only the federal government and three states. The Company currently operates 65 facilities, including 38 company-owned facilities, with a total design capacity of approximately 66,000 beds in 20 states and the District of Columbia. The Company specializes in owning, operating and managing prisons and other correctional facilities and providing inmate residential and prisoner transportation services for governmental agencies. In addition to providing the fundamental residential services relating to inmates, the Company's facilities offer a variety of rehabilitation and educational programs, including basic education, religious services, life skills and employment training and substance abuse treatment. These services are intended to reduce recidivism and to prepare inmates for their successful re-entry into society upon their release. The Company also provides health care (including medical, dental and psychiatric services), food services and work and recreational programs.

### **Forward-Looking Statements**

This press release contains statements as to the Company's beliefs and expectations of the outcome of future events that are forward-looking statements as defined within the meaning of 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. These include, but are not limited to, the risks and uncertainties associated with: (i) fluctuations in the Company's operating results because of, among other things, changes in occupancy levels, competition, increases in cost of operations, fluctuations in interest rates and risks of operations; (ii) changes in the privatization of the corrections and detention industry, the public acceptance of the Company's services and the timing of the opening of and demand for new prison facilities; (iii) increases in costs to construct or expand correctional facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond the Company's control, such as weather, labor conditions and material shortages, resulting in increased construction costs; and (iv) general economic and market conditions. Other factors that could cause operating and financial results to differ are described in the filings made from time to time by the Company with the Securities and Exchange Commission.

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