

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): October28, 2002 (October24, 2002)

Corrections Corporation of America

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation)	0-25245 (Commission File Number)	62-1763875 (I.R.S. Identification Number)
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10 Burton Hills Boulevard, Nashville, Tennessee 37215
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (615)263-3000

Not Applicable
(Former name or former address, if changed since last report)

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ITEM 5. Other Events.

Settlement of 1997 Federal Income Tax Audit.

Corrections Corporation of America, a Maryland corporation (“CCA” or the “Company”), announced that it has entered into a definitive settlement agreement with the IRS in connection with the previously disclosed IRS audit of CCA’s predecessor’s 1997 federal income tax return. The text of the settlement agreement entered into by CCA and the IRS is included as Exhibit 10.1 hereto and is incorporated herein in its entirety by reference. The press release issued by CCA on October 28, 2002 announcing the settlement is filed herewith as Exhibit 99.1 and is incorporated herein in its entirety by reference.

Agreement to Manage Inmates from the State of Tennessee.

CCA also announced that it has entered into an agreement that provides for the management of up to 1,536 inmates from the State of Tennessee at CCA’s Whiteville Correctional Facility located in Whiteville, Tennessee. The press release issued by CCA on October 28, 2002 announcing the anticipated receipt of inmates from the State of Tennessee at the facility is filed herewith as Exhibit 99.2 and is incorporated herein in its entirety by reference.

ITEM 7(c). Exhibits.

The following exhibits are filed as part of this Current Report:

Exhibit Number	Description of Exhibits
10.1	Agreement as to Final Determination of Tax Liability and Specific Matters by and between CCA, as successor to Corrections Corporation of America (a Tennessee corporation) and its subsidiaries and as successor in interest to Mineral Wells R.E., L.P. and United Concept Limited Partnership, and the Department of the Treasury — Internal Revenue Service of the United States.
99.1	CCA press release announcing its settlement with the IRS in connection with 1997 federal income tax audit.
99.2	CCA press release announcing the anticipated receipt of inmates from the State of Tennessee at CCA’s Whiteville Correctional Facility.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the undersigned Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 28, 2002

CORRECTIONS CORPORATION OF AMERICA
By: /s/ Irving E. Lingo, Jr.
Its: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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DEPARTMENT OF THE TREASURY-INTERNAL REVENUE SERVICE

AGREEMENT AS TO FINAL DETERMINATION OF
TAX LIABILITY AND SPECIFIC MATTERS

Under Section 7121 of the Internal Revenue Code (hereinafter the "Code"), Corrections Corporation of America and Subsidiaries ("CCA"), 10 Burton Hills Boulevard, Nashville, Tennessee 37215 (EIN: 62-1763875), successor to Corrections Corporation of America and Subsidiaries (EIN: 62-1156308), on behalf of itself, as agent for the CCA consolidated group, and as the Tax Matters Partner for Mineral Wells, R.E.L.P. (EIN: 62-1734023) ("Mineral Wells") and United Concept Limited Partnership (EIN: 74-2688571) ("United"), and the Commissioner of Internal Revenue (hereinafter the "Commissioner") make the following closing agreement:

WHEREAS, CCA was issued a Revenue Agent's Report related to the December 31, 1997 taxable year of CCA, by letter dated May 8, 2000 (the "CCA RAR"); Mineral Wells was issued a Revenue Agent's Report related to the December 31, 1997 taxable year by letter dated November 27, 2000 (the "Mineral Wells RAR"); and United Concepts was issued a Revenue Agent's Report related to the December 31, 1997 taxable year by letter dated November 20, 2000 (the "United RAR") (collectively referred to as the "RARs");

WHEREAS, CCA filed a protest with the Internal Revenue Service Appeals Division on August 31, 2000, protesting certain of the proposed adjustments set forth in the CCA RAR; Mineral Wells filed a protest with the Internal Revenue Service Appeals Division on February 20, 2001, protesting certain of the proposed adjustments set forth in the Mineral Wells RAR; and United filed a protest with the Internal Revenue Service Appeals Division on February 20, 2001, protesting certain of the proposed adjustments set forth in the United RAR;

WHEREAS, the parties have agreed to resolve all of the issues raised in the RARs by this Agreement.

NOW IT IS HEREBY DETERMINED AND AGREED that, for federal tax purposes:

- (1) Those of the RARs' proposed adjustments that were not protested by CCA (CCA RAR issues A(1), A(2), B(2), D, E(1), F, G, H, I, and K; Mineral Wells RAR issue 1; and United issue 1) shall be made as reflected in the RARs;
- (2) A consulting fee paid by CCA to CMA Capital Management, Inc. in the amount of \$6,989,000 and amortized over three years shall instead be amortized over five years beginning July 1, 1997.
- (3) Fifty percent (50%) of \$78,515 in state filing fees paid by CCA were properly deducted by CCA in 1997, and the remainder shall be capitalized and amortized over five years beginning July 1, 1997.

CLOSING AGREEMENT WITH CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES, MINERAL WELLS, R.E.L.P., AND UNITED CONCEPT LIMITED PARTNERSHIP

- (4) Fifty percent (50%) of \$33,947 in legal fees paid by CCA were properly deducted in 1997, and the remainder shall be capitalized and amortized over five years beginning July 1, 1997.
- (5) Fifty percent (50%) of \$49,825 in accounting fees paid by CCA were properly deducted in 1997, and the remainder shall be capitalized and amortized over eleven years beginning July 1, 1997.
- (6) Fifty percent (50%) of \$2,135,732 in selling expenses incurred by CCA were properly deducted in 1997, and the remainder shall be capitalized and amortized over eleven years beginning July 1, 1997.
- (7) Twenty-five percent (25%) of the \$109,065,571 capital loss claimed by CCA in connection with the sale by Corrections Partners, Inc. of its interests in CLI Equipment Leasing Trust VI and CLI Equipment Leasing Trust VIII shall be allowed in 1997, and the remainder shall be disallowed.
- (8) Fifty percent (50%) of the selling expenses incurred by Mineral Wells and United in the amounts of \$124,383 and \$247,394, respectively, were properly deducted in 1997, and the remainder shall be capitalized and amortized over eleven years beginning July 1, 1997.
- (9) CCA shall not be liable for the substantial understatement penalty in the amount of \$7,715,847 proposed in the RAR for the 1997 taxable year.
- (10) As a result of the above adjustments, CCA's accumulated earnings and profits shall be increased as of the date of execution of this Agreement, and the above adjustments shall not increase CCA's earnings and profits at any time prior to the execution of this Agreement.

This Agreement is final and conclusive except:

- (1) the matters it relates to may be reopened in the event of fraud, malfeasance, or misrepresentation of material fact;
- (2) it is subject to the Internal Revenue Code sections that expressly provide that effect be given to their provisions (including any stated exception for Code section 7122) notwithstanding any other law or rule of law; and
- (3) if it relates to a tax period ending after the date of this agreement, it is subject to any law, enacted after the agreement date, that applies to that tax period.

CLOSING AGREEMENT WITH CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES, MINERAL WELLS, R.E.L.P., AND UNITED CONCEPT LIMITED PARTNERSHIP

BY SIGNING, THE PARTIES CERTIFY THAT THEY HAVE READ AND AGREE TO THE TERMS OF THIS DOCUMENTS.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES

By: /s/ John D. Ferguson
10/21/02

Date Signed:

Title: CEO

MINERAL WELLS, R.E.L.P.

By: /s/ John D. Ferguson
10/21/02

Date Signed:

Title: CEO of CCA and subsidiaries

UNITED CONCEPTS LIMITED PARTNERSHIP

By: /s/ John D. Ferguson
10/21/02

Date Signed:

Title: CEO of CCA and subsidiaries

COMMISSIONER OF INTERNAL REVENUE

By: /s/ Michael S. Wagner
10/24/02

Date Signed:

EXHIBIT 99.1

Karin Demler - (615) 263-3005

**CORRECTIONS CORPORATION OF AMERICA REACHES SETTLEMENT WITH IRS
WITH RESPECT TO 1997 FEDERAL INCOME TAX AUDIT**

NASHVILLE, Tenn., October 28, 2002 -- Corrections Corporation of America (NYSE: CXW) announced today that it has entered into a definitive settlement agreement with the IRS in connection with the previously disclosed IRS audit of CCA's predecessor's 1997 federal income tax return. Under the terms of the settlement, in consideration for the IRS's final determinations with respect to the 1997 tax year, CCA will pay approximately \$54 million in cash to satisfy federal and state taxes and interest, substantially all of which will be paid during the fourth quarter of 2002. CCA intends to satisfy this obligation through the use of cash on hand. CCA's consolidated cash balance as of September 30, 2002 was \$101.8 million.

Pursuant to the terms of the settlement, the audit adjustments agreed to for the 1997 tax year will not trigger any additional distribution requirements by CCA in order to preserve its status as a real estate investment trust for federal income tax purposes for 1999. The adjustments will, however, serve to increase CCA's accumulated earnings and profits in 2002 and therefore may affect the taxability of dividends paid by CCA on its Series A and Series B Preferred Stock in 2002 and later years.

Based on the terms of the settlement and CCA's current estimates of its taxable income for 2002, the settlement is not expected to result in either a material tax benefit or tax expense to CCA for 2002.

"We are pleased with the final resolution of this matter with the IRS," said Irving E. Lingo, Jr., CCA's executive vice president and chief financial officer. "We believe that the settlement reached with the IRS is in the best interests of the company and its stockholders as it removes a significant contingency, allowing management to continue to focus its attention on the growth of the business. In addition, due to the Job Creation and Worker Assistance Act of 2002, the settlement will create an opportunity for the company to utilize its anticipated 2002 tax losses to claim a refund of a currently indeterminate portion of the taxes to be paid."

CCA is continuing to appeal the IRS's findings with respect to its previously disclosed audits of CCA's predecessor's 1998 federal income tax return and CCA's 2000 federal income tax return. CCA does not currently expect that the resolution of the 1998 IRS audit will have a material adverse effect on CCA's liquidity or results of operations. As previously disclosed by CCA, with respect to the 2000 IRS audit, CCA believes that it has meritorious defenses against the IRS's positions and has not established a reserve for the matter. No assurance can be given, however, that the IRS will not prevail in any claims against CCA in connection with the 2000 audit.

ABOUT CCA

CCA 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 four states. CCA currently owns 40 correctional, detention and juvenile facilities, three of which are leased to other operators, and one additional facility which is not yet in operation. CCA currently operates 60 facilities (including the McRae, Georgia facility which is anticipated to commence full operations in December 2002), with a total design capacity of approximately 59,000 beds in 21 states and the District of Columbia. CCA 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, CCA 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. CCA also provides health care (including medical, dental and psychiatric services), food services and work and recreational programs.

FORWARD-LOOKING STATEMENTS

Certain of the disclosures contained herein constitute forward-looking statements, which are based on, among other things, preliminary projections of the results and financial condition of CCA for the year-ended December 31, 2002. While CCA believes its forecasts and assumptions are reasonable, it cautions that actual results may differ materially from these forward-looking statements. CCA intends these forward-looking statements to speak only as of the time of this press release and takes no responsibility for updating the information contained in this press release following the date hereof, or for any changes or modifications made to this press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

EXHIBIT 99.2

Louise Green, Communications Spokesperson, 615-263-3106 Karin Demler, Investor Relations, 615-263-3005

CCA TO BEGIN ACCEPTING STATE OF TENNESSEE INMATES AT WHITEVILLE, TENNESSEE FACILITY

NASHVILLE, TENN., October 28, 2002 --- Corrections Corporation of America (NYSE: CXW) announced today that it expects to begin receiving medium security inmates from the State of Tennessee at its Whiteville Correctional Facility located in Whiteville, Tennessee. Hardeman County, having entered into an agreement with the State of Tennessee to manage up to 1,536 state inmates, has entered into a lease agreement with CCA for the Whiteville Correctional Facility and has contracted with CCA to manage the Tennessee inmates to be housed at the medium-security prison.

CCA officials expect inmates to begin arriving at the Whiteville facility this week, with an expected controlled increase in population numbers extending over the next several months. CCA's agreement with Hardeman County for the Whiteville facility consists of a three-year contract with two one-year renewal options.

The Whiteville Correctional Facility was built by CCA and opened in July 1998. The 1,536-bed facility, which was accredited by the American Correctional Association in 1999, has maintained a population of inmates from Wisconsin since its opening.

"As a business partner with Hardeman County and the State of Tennessee, CCA is proud of the service we provide in helping to manage more than 20 percent of the state system's correctional needs," said John Ferguson, CCA President and CEO. "We believe the long-standing partnership with Tennessee is an indicator of how public and private partnership in corrections management can achieve positive results for a corrections system in terms of flexibility, high level of service, cost value and quality operations."

Similar to this newly-contracted relationship with Hardeman County for the Whiteville facility, CCA has an existing relationship with Hardeman County, whereby CCA manages the 2,016-bed medium-security Hardeman County Correctional Facility located in Whiteville, Tennessee through a contract with Hardeman County. Additionally, CCA contracts directly with the Tennessee Department of Corrections to manage up to 1,676 medium-security inmates at the South Central Correctional Center located in Clifton, Tennessee.

ABOUT CCA

CCA 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 four states. CCA currently owns 40 correctional detention and juvenile facilities, three of which are leased to other operators, and one additional facility, which is not yet in operation. CCA currently operates 60 facilities (including the McRae, Georgia facility which is anticipated to commence full operations in December 2002),

with a total design capacity of approximately 59,000 beds in 21 states and the District of Columbia. CCA 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, CCA 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. CCA 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 CCA'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 CCA'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) the growth in the privatization of the corrections and detention industry, the public acceptance of CCA's services and the timing of the opening of new prison facilities; and (iii) 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 CCA with the Securities and Exchange Commission.

CCA takes no responsibility for updating the information contained in this press release following the date hereof to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events or for any changes or modifications made to this press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

End of Filing