CNN drops story on multi-billion dollar contracting scandal, says American Small Business League

by Bend Weekly News Sources

Lou Dobbs Pulls Story on Diversion of Billions from America's Middle Class

Primetime news program Lou Dobbs Tonight dropped an investigative story exposing the diversion of billions of dollars in federal small-business set- aside contracts to some of the nation's largest corporations and defense contractors just hours before the segment was to air on CNN.

As part of Dobbs' series, "The Attack on the Middle Class," the show's producers spent several weeks researching and filming the segment featuring Lloyd Chapman, contracting expert and president of the American Small Business League. During his interview with CNN, Chapman discussed a series of 13 federal investigations -- by the Government Accountability Office, Small Business Administration Office of Advocacy and the SBA Office of Inspector General -- that found billions of dollars in federal small business contracts were diverted to Fortune 500 corporations. The Bush Administration reported these contracts -- awarded to firms like L3-Communications, General Dynamics, Halliburton and major CNN advertisers Boeing and Lockheed -- as "small business" awards.

CNN producers told Chapman that the segment had been pulled in the wake of more pressing news stories, but assured him that it would air shortly. After three months of waiting, Chapman has concluded that the station abruptly pulled the story to avoid embarrassing its major advertisers and has no intention of ever airing the segment.

"CNN is never going to run that story," said Chapman. "I think they pulled it because it was unflattering to its major advertisers, Lockheed Martin and Boeing. CNN's reputation as the most trusted name in news obviously doesn't apply when you're talking about its advertisers."

Chapman points to a story featured on the highly rated blog, The Daily Kos: "Advertising as Payola: Who really owns CNN?," that also suggests firms like Lockheed and Boeing, who have no products to sell to the general public, advertise on major networks to gain influence over the media outlet.

The latest government figures report Boeing with 37 federal small business awards, totaling $495,319,668. Lockheed Martin received $223,210,917 in federal small business awards, and Fortune 500 defense contractor L-3 Communications was the top recipient of small business contracts with $650,143,831. The ASBL projects that up to $65 billion a year in federal small business contracts are diverted to the top two percent of firms in the U.S.

CNN drops story on multi-billion dollar contracting scandal, says American Small Business League by Bend Weekly News Sources