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Abstract Telephone company monitored millions of long distance calls in 6 US cities in a six year attempt to prevent toll fraud.

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...budget would be the second largest in the nation's history, exceeded only by a 54.9-billion-dollar shortfall in the World War II year of 1943.

"It is essential that the Congress be

fall 52 billions short of matching the projected outlays of 349 billions.

The deficit will be even larger if Congress rejects Mr. Ford's proposed

only as his blueprint for ending the recession and curbing inflation and not necessarily as the final picture.

Mr. Ford said the last time a Chief Executive personally presented his

However, Mr. Ford conduct the briefing. L. Ash, director of t

TURN TO PAGE

Bell Secretly Monitored Millions Of Toll Calls

By LOUIS J. ROSE
Of the Post-Dispatch Staff
1975 St. Louis Post-Dispatch

The Bell Telephone System monitored in random fashion millions of long-distance calls originating in six cities, including St. Louis, and secretly tape-recorded parts of at least 1,500,000 calls for analysis in New York.

The Post-Dispatch has learned that the highly secretive program was designed to help combat electronic toll call frauds, but only a tiny fraction of the calls listened to and recorded were ever confirmed by the company as being fraudulent.

Other cities besides St. Louis where calls were monitored were New York, Detroit, Miami, Los Angeles and Newark, N. J.

The monitoring program covered a six-year period and ended in the spring of 1970, when those Bell executives involved were warned to purge their files of any reference to the program and to destroy any materials relating to it.

A source with knowledge of the internal operations of the Bell system said that Bell executives who ran the monitoring program believed the company was within its legal rights, but were afraid Bell's image might be damaged if word leaked to the public.

"From the beginning they analyzed this very carefully," the source told the Post-Dispatch, "and decided that if it ever were necessary to reveal the existence of this equipment in order to prosecute a toll fraud case, they would simply decline to prosecute."

A good percentage of the tape recordings involved segments of from 30 seconds to 90 seconds from the time a call was first dialed, but in several hundred thousand instances entire conversations were recorded.

The monitoring equipment frequently misread calls as having indications of electronic toll fraud. Certain frequency components in human speech, for example, could have caused the equipment to be activated as if fraud were involved, with the result that the entire conversation might be taped, it was said.

The program was unknown to many high-ranking Bell executives even in areas where it was in effect.

More than 30,000,000 long-distance calls were monitored during the first

four years of the program by sophisticated equipment that scanned trunk-line calls. The equipment looked for electronic indications that an attempt was being made to bypass the system's toll charge mechanism.

Of the more than 1,500,000 long-distance calls that were at least partly recorded during the first four years of the program, with the tapes being sent to New York for analysis, fewer than 25,000 were considered by those doing the analysis to be indicative of fraud.

Fewer than 500 of the calls in this category during the first four years were confirmed as fraudulent.

Initially, the program went into effect in late 1964 with six units, each capable of monitoring 100 trunk lines. Each unit could handle about five calls at any given moment. The program began with

two units each in New York and Los Angeles and single units in Miami and Detroit.

Early in 1967, the Detroit unit was transferred to St. Louis. It was installed here at the Southwestern Bell facility at 2651 Olive Street, remaining there until the spring of 1970. It was about then that the entire program was ended.

Several factors, including fear of public exposure, figured in the decision to end the program. Other factors, included concern over the condition of the monitoring units and whether the whole approach was efficient and comprehensive enough.

Joseph F. Doherty, who is now direc-

TURN TO PAGE 22, COL. 1

Democrats Said To Have Sought Campaign Bill With Loopholes

By DANA L. SPITZER
Of the Post-Dispatch Staff

JEFFERSON CITY, Feb. 1—Secretary of State James C. Kirkpatrick and the Democratic leadership of the Missouri House were prepared last year to support a campaign spending bill that they knew was full of loopholes at the same time they were publicly proclaiming to be in favor of a strong measure, the Post-Dispatch has been told.

James Dowd, an assistant to Kirkpatrick, worked closely with the House leadership in developing a Democratic bill. A memorandum written by Dowd at the time suggests that the top Democrats wanted a bill that had the appearance of reform legislation but would actually allow candidates to keep their campaign contributions secret.

A concluding paragraph of Dowd's memorandum, a copy of which has been obtained by the Post-Dispatch, states: "As the bill is presently written, a candidate familiar with its requirements could easily (well... it might take a little work) comply with all the require-

ments and never disclose a single dollar."

Kirkpatrick, Speaker of the House, Representative Richard J. Rabbitt (Dem.), St. Louis, and the House majority leader, Representative Kenneth J. Rothman (Dem.), Clayton, denied they had sought a law with such loopholes.

They said they did not recall Dowd's memorandum, which was written in March or April of last year. And they denied that they ever intended to offer a bill that was anything less than a sincere effort to reform the state's campaign spending laws.

But two other prominent Democrats, state treasurer James I. Spainhower and Representative Harold L. Volkmer of Hannibal, the chairman of the House Judiciary Committee, said the House leaders and Kirkpatrick had been prepared to offer a bill that appeared to be more than it was.

"It was full of loopholes," Volkmer said. "Loophole after loophole."

Spainhower and Volkmer said they had refused to support the bill and told

the Democratic leadership an embarrassment to the House leaders backed off and agreed to a stronger bill.

A source who provided Dowd memorandum, said it showed had never favored spending legislation, as professed. The source Spainhower could not confirm and the House prepared to offer a loopholes.

The source said that Kirkpatrick had used his current campaign state's new law on campaign. When the Legislature a campaign law last petitions were circulated enacted a law in the November. The proposition was

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Metal Contractors Ratified

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his hurt the St. Louis econit, directly, it merely cuts

TO PAGE 21, COL. 1

Millions of Calls Monitored

FROM PAGE ONE

tor of corporate security at the New York headquarters of American Telephone & Telegraph Co., played an important role in the program and was among those involved in the orders that files relating to it should be purged and destroyed.

Doherty, when asked for comment, suggested that a reporter channel his questions through public relations personnel at Southwestern Bell Telephone Co. here, one of 22 AT&T companies.

Later Friday, William Mullane, press relations director for AT&T confirmed most of the details known to the Post-Dispatch. Mullane said the program largely was an experimental or trial project and was ended May 1, 1970.

He said he did not know how many calls had been tape-recorded, but said he believed the recordings ran between

60 and 90 seconds. The Bell system continues to crack down on electronic toll fraud, but its present approach does not involve voice recordings, he said.

The monitoring units used during the old program were designed by Bell Laboratories to detect electronic toll cheaters, particularly those persons who utilized "blue box" and "black box" equipment.

(A blue box is a device intended to allow the user to place long-distance calls that dodge the Bell system's billing equipment. A black box is a device that enables persons to call the box's owner long distance without paying for the call.)

The monitoring units worked this way:

Once the unit locked onto a call, it would record on a temporary recorder the initial phase of each call. If it found

nothing indicating electronic fraud, the temporary recording was erased and the equipment prepared to handle a new call.

But if the initial phase appeared to indicate, for example, that a blue box was being used, the equipment activated a master tape recorder that would record a segment or the entire content of the call. The master tape subsequently was sent to New York for analysis.

Mullane said that elaborate precautions were taken to assure that the tapes were studied only by a small group of trained security personnel in New York. "They could not be listened to locally," he said.

He conceded the program had been kept highly secretive.

"The fewer people that know anything you are doing to detect fraud, the better off you are," he commented.

U.S. Inquiry on State's Aims In Mental Health Treatment

By JEROME P. CURRY
Of the Post-Dispatch Staff

Federal inquiries into Missouri's program for mentally retarded patients are focusing on whether those patients receive only custodial care, sources said Saturday.

Investigators are attempting to determine whether some patients are institutionalized for non-valid reasons, whether patients are involved in programs whose purpose is not actually being carried out as functioning as human beings and providing programs said to be in operation are actually being carried out as stated.

Simply providing the mentally retarded with only the custodial care of housing, food and clothing would be a violation of rights guaranteed in the Fourteenth Amendment, it was said. Simple custodial care would mean an indefinite term of incarceration for the retarded and a deprivation of their constitutional rights.

The investigation into Missouri's mental health program is being conducted by the Office of Special Litigation in the Department of Justice's Civil Rights Division.

It is not yet known whether the inthe inquiry will result in litigation similar to that filed on behalf of mentally retarded or mental patients in 10 other states.

However, John C. Danforth, Missouri Attorney General, said Friday of the federal investigators: "Their demeanor is one of getting ready for trial."

Paul Allred Jr., a member of Danforth's staff, toured

INQUIRY DISCLOSES gross abuses in 10 other states, Page 1B.

ment of Mental Health reached by the Post-Dispatch were reluctant to comment if their names were to be used. This extended to some who believe that the mental retardation programs in Missouri are some of the best in the nation.

That fear of talking, they said, was traced to a memorandum issued Jan. 6 by Dr. Harold P. Robb, director of the state Department of Mental Health. In that memorandum, Robb said, in part: "Although we have not had very much of this in past years, I would caution all of you to think before you speak to the news media. Any criticisms of legislative or administrative actions concerning Department of Mental Health matters should be brought to my attention for my action and not aired in the press or other public media..."

The memorandum was written in response to criticisms of the state's Office of Administration by the director of a mental health facility.

But Clarence L. Rudolph, a former educational consultant in the department's central office in Jefferson City, said of the state's mental retardation programming: "I guarantee if you get any outside agency to go in and scrutinize that they will find major programming is at the primitive level of development. You

will find that these facilities, normally produce programming only when the legislators or other key people appear."

Rudolph resigned from the office last November after voicing sharp disagreements with the policies of the Department of Mental Health.

Robb said that he did not want to comment on Rudolph's statement nor on any questions directly or indirectly related to the federal investigation. He referred those questions to the state Attorney General's office.

The investigation began after C. Duane Hensley, state director of mental retardation and developmental disabilities, publicly warned that the state might be violating inmates' civil rights.

Shortly after this, Thrasher visited Hensley. The tour by the federal investigators of the three retardation facilities followed that visit. On Jan. 21, a Federal Bureau of Investigation Agent met with Danforth and showed him the Civil Rights Division memorandum which asked for an FBI field investigation.

"Dr. Hensley has said he thinks now that we might well be successful in such an instance with our new program in Missouri," Allred said. "I want to make it most clear that we are not now talking about the merits of the program. What we're objecting to is in the manner in which they (the federal officials) are going about the investigation."

Out Of Mittens Plane Crashes And Into Jail

For Pickpocket

LOS ANGELES, Feb. 1 (UPI) — Timothy Mack will not have to wear mittens for the next eight months, but he will not enjoy the respite.

Mack, 41 years old, who has a long record of arrests as a pickpocket, had been allowed free on probation after an arrest in 1971, on condition that for six years he wear mittens whenever he was outside his home — "thick mittens sufficient to prevent independent movement of the fingers," Superior Court Judge Richard Hayden had ordered.

Mack was sighted by a pickpocket detail detective — who knows Mack's face well — on the street without his mittens this week. Mack was brought before Hayden, who ruled that he can take off the mittens for eight months — the time he will be in jail.

After that, Hayden ruled, the mitten requirement will apply until 1980.

"I'll be an old man by then," mourned Mack. "So will I," replied the judge.

HOUSTON, Fed land development airplane carrying Oklahomians to East Texas crashed in rain a Saturday less miles from the Houston continental Airport.

Investigators at

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Envoy Nominee

WASHINGTON, Feb. 1 (UPI) — President Gerald R. Ford said Friday that he would nominate former Republican Senator Peter H. Dominick of Colorado, to be United States ambassador to Switzerland. Dominick was defeated last November.

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