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Jersey Bell Offers Defense Of Its Phone Monitoring

Special to The New York Times

NEWARK, Feb. 28—Senior officials of the New Jersey Bell Telephone Company today defended their current and past telephone-monitoring practices as being done solely to “audit the quality of our product service.”

After the day-long hearing before the State Board of Public Utility Commissioners, Commissioner Joe Jacobson said he was “unsatisfied” with the Bell testimony.

Rocco J. Marano, vice president for operations of New Jersey Bell, told the hearing officers that current company practice was “to observe one of every 2,800 calls handled by a central telephone office.” The prime purpose of such observations, Mr. Marano said, is to discover how effectively the company’s equipment is functioning.

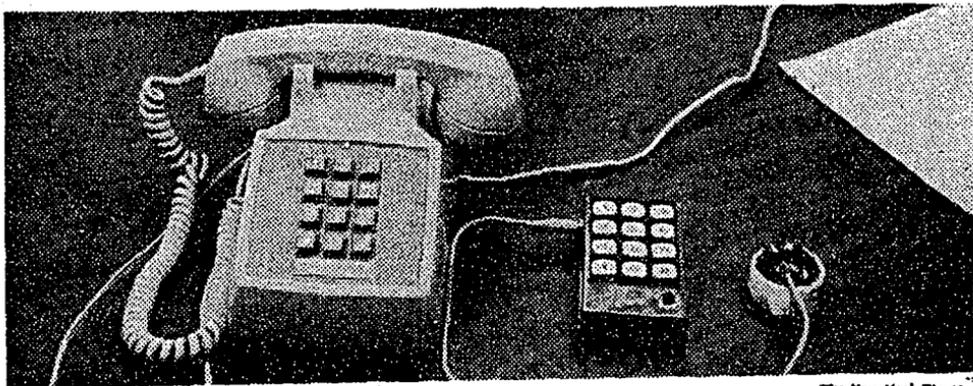
In testimony made public earlier this week, New Jersey Bell acknowledged that it had monitored 2.6 million telephone calls in the state between November, 1966, and March, 1970, and recorded 280,000 of those calls as part of its effort to discover the extent of “electronic toll fraud.”

This morning, Donald J. Stevenson, an assistant vice president of the company, gave a demonstration on how such monitoring took place and described the mechanism of so-called electronic “blue boxes” used to trick the telephone company’s billing devices into not recording toll calls.

The purpose of today’s hearing was to review the procedures, equipment and services offered by New Jersey Bell and seven smaller state telephone companies in toll-fraud detection, service observations and

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Phone Company Defends Its Monitoring



The New York Times

Round gadget at right, when placed in phone receiver and attached to "blue box," center, enables caller to bypass telephone company billing devices when making calls.

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other services for monitoring subscribers.

The last such public hearing took place before the commission on Jan. 28, 1969. As today's session opened, Mr. Jacobson, a former senior official with the United Auto Workers Union, issued a strong statement challenging the concept of monitoring by New Jersey Bell of customers telephones.

He said, "We solicit an explanation as to why, during the progress of this operation, details were kept from this board and, of course, from public knowledge."

The commissioner said he regarded such a question "as more than academic" because New Jersey Bell officials had stated during testimony in the 1969 hearing that "the only thing we listen to are conversations directed by the public to us."

"We do not observe, nor do we have, or provide equipment for the observations of conversations between customers," the phone company said.

Mr. Jacobson said, "We are eager to hear the company's present explanation of this past departure from the facts which are now known."

Today, Mr. Marano told a hearing room crowded with nearly 50 officials, lawyers and reporters that "we do furnish equipment to assist certain business customers to evaluate the quality of service being rendered by their employees."

Mr. Marano said: "Any business having a large volume of contacts similar to our own can utilize this equipment. Some examples are the airlines-reservations centers, newspaper classified-advertising departments, large department stores, governmental agencies and others." Currently, he added, "about 175 business customer installations subscribe to this service."

P.U.C. officials said before today's hearings that they had received numerous requests from citizens to investigate whether such service devices were being used to check possible union activity or otherwise keeping records of private employe conversations.

Today, the commissioners heard Clara Allen, director of the New Jersey locals of the

Communications Workers of America, call for legislation to clarify and regulate any such monitoring procedures.

However, Mrs. Allen stressed that the union did not wish that certain procedures be eliminated because "we share the management's desire to maintain service quality."

Mrs. Allen said that in drafting such legislation or state regulatory agency action, companies should be allowed to continue to monitor for quality-of-service purposes, but should be prohibited from making any form of written or electronic records of the substance of any monitored conversation.

During questioning this afternoon by Martin Fox, a lawyer representing the state Department of the Public Advocate, Mr. Stevenson conceded "it is quite possible innocent subscribers' phone calls are being recorded—our system is not perfect."

The repeated thrust of Mr. Stevenson's and Mr. Marano's prepared testimony had been to indicate how few calls over-all were monitored electronically in the state, and that the number of suspicious calls actually recorded was even smaller.

Mr. Jacobson said that after having heard the testimony and preliminary questions of the officials today, he expected to have "a large number of questions about just what is recorded and why during our next session." The next hearing date is set here for next Friday at 10 A.M.