



Exploding The Phone

db226

www.explodingthephone.com

Bibliographic Cover Sheet

Title **Telco angered by fraud; MIT student arrested**

Publication *The Tech (MIT)*

Date 1972-10-17

Author(s) Schindler, Paul

Abstract MIT student arrested for toll fraud after an FBI investigation.

Keywords Boston; FBI; toll fraud; Stephen Owades (arrested)

Notes Also in MISC01-006 as part of MIT/Harvard research

The following pages may contain copyrighted material. We believe that our use of this material for non-commercial educational and research purposes constitutes "fair use" under Section 107 of U.S. Copyright Law. If you wish to use this material for purposes that go beyond "fair use," you must obtain permission from the copyright owner, if any. While it will make us slightly sad to do so, we will nonetheless comply with requests from copyright owners who want their material removed from our web site.

Telco angered by fraud; MIT student arrested

By Paul Schindler

A former resident of East Campus now living in Boston was arrested at his home last Saturday by the Federal Bureau of Investigation for phone hacking.

The official report, issued to the public by James Handley, agent in charge of the Boston FBI office, stated that the student was arrested Saturday for violating the "fraud by wire" section of Title 18, US Code, section 1343.

According to the FBI, the specific complaint was that he had "allegedly used an electronic device to defeat telephone billing equipment on interstate telephone calls." He was arraigned, then released on \$1000 bail with no surety (meaning in effect that he was released on his own cognizance).

The maximum legal penalty for violation of this law is \$1000 fine, five years in jail, or both. The maximum penalty is rarely imposed on first offenders.

The Tech was unable to contact the student on Monday to get his comment on the charges. Assistant US District Attorney William Brown, who is in charge of prosecuting the case, provided no further information except for the dates of the offense; occasions between May 14 and October 10 of this year.

According to telephone company sources, the FBI actually files charges in cases such as this. The phone company informs the FBI of a suspected violation of the law; an investigation is carried out, and evidence is turned over to the US Attorney's office, which then decides whether or not to prosecute.

MIT sources familiar with phone company thinking declined to characterize this as the start of a "new crackdown," but the president of another operation company, Bell of Pennsylvania, said one year ago that the arrest of four people in Philadelphia was part of a nationwide crackdown, in which there were 57 cases under investigation throughout the country.