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Title **'Phone Cheater' Suspect Arrested**

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Abstract Local college student arrested for phone fraud, method unstated.
Article discusses phone company provided fraud statistics, basic
fraud methods, and "Don't Do It" messages.

Keywords Michigan Bell (MB); East Lansing, MI; Cantisani (Mr. (Nicolo?),
arrested); James Bury (Lansing Mgr. MB); credit card fraud; blue box

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'Phone Cheater' Suspect Arrested

Michigan Bell Out \$100,000 in Telephone Fraud

By JIM WIEBER
State Journal Writer

A sophisticated electronic system used to make free long-distance telephone calls may be cheating Michigan Bell of \$100,000 in the Lansing area.

Michigan Bell security agents and East Lansing police have made one arrest alleging telephone service by fraud.

AWAITING A jury trial in East Lansing District Court on two counts for alleged illegal calls to Oklahoma City, Okla., Nicola Cantisani, 24, of 208 Oakhill, East Lansing, arrested by security officials Jan. 31.

Cantisani, an Italian national attending Michigan State University, where he is majoring in languages at the

Justin Morrill College, is free on a \$100 interim bond. He is charged with high court misdemeanors, carrying maximum penalties of one year in jail and a \$500 fine for each count.

A telephone company official said the arrest was the first in Michigan on the charges outside of the Detroit and Ann Arbor areas.

THE MICHIGAN Bell System reportedly lost \$1.2 million and \$1.3 million in 1971 and 1972 because of the electronic, credit card, third number and automatic number identification types of fraud. Figures nationally were unavailable, although estimates are higher than \$50 million.

"People think cheating on telephone calls is not a serious matter," an agent said, asking

his name not be used because of the continuing investigation here. "But fraud is fraud, and cheating the telephone company on toll charges is a crime no matter how you look at it.

"These type of thieves are, in effect, stealing a service and denying the company its due revenue. In turn, these individuals are costing telephone customers money too, because they eventually pick up the tab."

THE AGENT said the Bell System employs 135 persons in the Midwest, solely charged with investigating alleged cheating.

"That should give an indication of the seriousness of the matter," the official stated.

James Bury, Lansing manager for the firm, said 11 of 13 persons arrested in Michigan

in 1972 for telephone fraud were convicted, compared to 844 of 1,050 arrests nationally.

THE AGENTS said their major concerns were to "deter the crimes, rather than obtaining a big conviction rate."

But he said the firm would prosecute when it could.

"It isn't worth it for anybody, especially students, to risk their careers on trying to out-smart our tolling equipment," the agent stated. "The most common situation after

an arrest is a plea by the person not to prosecute him. At that point we have no sympathy.

"IN ANN Arbor, we have had students arrested who

later tried to enter law school or medical school or apply for a federal security clearance to obtain an overseas engineering position," he stated.

"Their police records prevent them from furthering their careers in these areas. They then become very remorseful."

The electronic method of bypassing tolling equipment apparently is the company's worst type of fraud, involving sophisticated devices available at high costs "on the street," although "common housewives without thinking often become cheats, too."

AMATEURS MORE often use the credit card or third number schemes, using the number of another person without permission or using a fictitious telephone number.

Agents said ANI, or automatic number identification calls, result in billing of "innocent" subscribers whose lines were illegally connected by the caller to a working circuit or by direct-dialing calls.

These frauds are punishable as a misdemeanor.

"THE BLUE box is what gives us the headaches though," a company official said. "A clever engineering student or someone versed in electronics can make a blue box, (about the size of a paperback book), for example, for \$50 and a little bit of patience. On the street the blue box—which produces multi-frequency tones to circumvent long-distance billing equipment—sells for up to \$3,000."

The security agent said his office recently arrested two Detroit area businessmen allegedly operating a bookie operation.

"They said afterwards they paid \$3,000 for the device, but made about \$1,500 in 'free' calls."

"TELEPHONE FRAUD is tempting to persons looking for an apparent easy way to get something for nothing, but that's not always the case," the agent said. "The bookies thought they could operate for that reason."

"College students have a high requirement for communications, especially when they are away from home surviving on limited funds. But stealing telephone service is no different than stealing a sport coat from a store."

"Fraudulent means of ripping off the telephone company is a perplexing problem because of its magnitude

(with losses increasing in Michigan from \$650,000 in 1970) and the many ways in which illegal services can be obtained.

"THE MISUSE of toll facilities not only constitutes a significant amount of uncollectible revenue for the company, it is also a source of irritation to other customers because of incorrect billings.