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Bibliographic Cover Sheet

Title **Four Charged In 'Blue Box' Phone Case**

Publication *Dallas Morning News*

Date 1972-09-12

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Abstract Four arrested as part of a multi-city raid by the FBI. More arrests are expected in Dallas, which has become a manufacturing center for blue boxes. These blue boxes were being sold as undetectable, but the phone company had discovered how to detect them. This information was kept secret to facilitate the raid.

Keywords Federal Bureau of Investigation (FBI); toll fraud; blue box; Houston; Chicago; Cleveland; Minneapolis; Dallas; Martin Leibow (arrested); Marvin Valencia (arrested); Concord Enterprise Co.; Mrs. Lillie Autry (arrested); Roland Newsome (arrested); Smitty's Air Freight & Expediting Service; Southwestern Bell Telephone Co. (SBTCO)

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Four Charged In 'Blue Box' Phone Case

FBI Raids Aimed At Alleged Cheating On Long Distance

By EARL GOLZ

Four Dallas business executives were arrested Monday by federal agents here as simultaneous raids were made on a nationwide "blue box" telephone operation extending into at least four other large cities.

The Federal Bureau of Investigation, armed with search warrants, entered the business establishments of persons allegedly cheating on long distance calls in Houston, Chicago, Cleveland and Minneapolis, as well as Dallas. Charged here with violating the federal fraud by wire statute were Martin Leibow and Marvin Valencia, president and board chairman, respectively, of Concord Enterprise Co., and Mrs. Lillie S. Autry and Roland Newsome, president and general manager of Smitty's Air Freight & Expediting Service.

THE FOUR were released on personal recognizance bonds by U.S. Magistrate Patrick H. Mulloy.

More arrests were expected in Dallas, which has become a manufacturing center of the blue box, source said.

The blue box is a multi-frequency tone generator capable of bypassing telephone company billing equipment for free long distance calls.

A spokesman for Southwestern Bell Telephone Co. said users of the modified blue box version manufactured in Dallas apparently were being assured authorities had no way of detecting the devices while in use.

However, telephone company engineers detect the users after determined a long distance circuit was being used with no billing being made. Successful detection of the modified blue box was kept a secret until the simultaneous raids.

THE BLUE boxes, assembled for less than \$100 and no larger than a man's fist, were selling to businessmen for \$3,000 and more, sources said. Some firms reportedly were saving more than \$3,000 a month in long distance telephone calls by using the device.

The raids were aimed at manufacturers and distributors, as well as users.