



# ***Exploding The Phone***

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Title           **'Phone phreaks' prove headache to Bell System**

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Abstract       Overview of phone phreaking and credit card fraud. The article claims that a Fort Worth man arrested in 1964, now dead, was the forerunner of the phone phreaks. He was convicted on 14 misdemeanor charges since the Federal "fraud by wire" statute did not yet exist. No name is given for this individual. The article also explains how blue boxes work in general terms (incorrectly, I believe.)

Keywords      Fort Worth, TX; phone phreaks; blue box; Philadelphia, PA; Southwestern Bell Telephone Co. (SBTCO); William L. Wray (Fort Worth Security Supervisor, SBTCO); credit card fraud; gambling

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## Business scene

# 'Phone phreaks' prove headache to Bell System

By BILL AGUREN  
Press Business Editor

A man arrested here back in 1964 is believed to have been the forerunner of what today is a big headache to telephone companies — the "Phone Phreaks!"



The Fort Worth, who has since died, figured out a way to beat "Ma Bell" out of toll charges on long distance calls.

Dial-a-frauders were so new then that there were no federal "fraud by wire" statutes on the books.

He was tried and convicted on 14 misdemeanor charges.

TODAY, THE phone companies and the courts of the land are well aware of "Phone Phreaks" who work their fraud with "blue boxes" across the nation.

In the Bell System they have detection devices able to ferret out this sort of thing and, sooner or later, the "phreaks" are caught.

But, still, it is a flourishing activity.

NATIONALLY, there have been 33 arrests so far this year with 18 convictions and 14 cases still pending.

Twenty of those arrested, according to a survey, were students and all of the suspects had a sophisticated electronics interest or background.

Of four arrested recently in Philadelphia, two were long-time phone company employees.

The 24 companies in the Bell System claim they are losing more than \$500,000 annually to the little "blue box."

THE SO-CALLED "blue box" measures six by 3½ in. and weighs less than a pound. The top contains a series of 14 buttons, a switch and a jack plug.

It is attached to the phone and an area code is dialed, plus a certain number. This connects the "Phone Phreak" caller to the information operator in a specific area. Once connected, the caller throws the switch on his box, which disconnects the operator but leaves the line open

into the area.

He then uses the buttons on the box to punch any telephone in the area without having the call recorded for charge purposes.

AT&T recently sent out a long question-and-answer article to phone company division points dealing with the electronic toll fraud and its detection.

WILLIAM L. WRAY of Enless, security supervisor for Southwestern Bell here, believes the local area at present is not having any trouble with "Phone Phreaks."

But Wray, who has his hands full with credit card frauds, said that in the past the fraudulent practice has been attracting professional gamblers, who wanted to avoid records of calls, as well as college students calling home for money.

When it comes to the use of credit cards, the phone companies are much worse off than merchants or banks.

"AT LEAST, when someone misuses a credit card in a department store," Wray said, "they have a warm body present — someone they might remember and identify."

In telephoning on credit, he said, the caller cheat simply gives the operator a card charge number — read off someone else's card, taken from a stolen card or just cleverly constructed with proper letter.

Wray said the national loss on phone company credit cards has catapulted from \$9 million in 1968 to an estimated \$41 million this year.