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Cornfeld Held Guilty In Use of 'Blue Box' For Overseas Calls

LOS ANGELES, Aug. 13 (Reuters) — Bernard Cornfeld was found guilty today by a Federal jury of using an illegal electronic device called a "blue box" to make free long-distance telephone calls. He faces up to 15 years' imprisonment.

A blue box is a device designed to generate tones and signals similar to those used by the telephone company in routing calls.

After deliberating one day, a United States District Court jury found the international financier guilty on all three charges of defrauding the telephone company.

Mr. Cornfeld, 47 years old, who once served as head of the defunct Investors Overseas Services, a multimillion-dollar mutual-funds empire in Europe, pleaded not guilty.

Federal District Judge Matthew Byrne set Sept. 27 for sentencing. Mr. Cornfeld refused to comment outside the court beyond saying he would appeal the conviction.

During the trial two of his former secretaries testified that they were responsible for using the blue boxes and that Mr. Cornfeld knew nothing about them.

The devices were seized in a raid on Mr. Cornfeld's luxurious 40-room Beverly Hills mansion on Jan. 28 last year.

At the time of the raid one of Mr. Cornfeld's secretaries was arrested and accused of using the devices, but later the charges against her were dropped and a Federal grand jury indicted the financier himself.