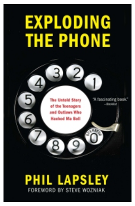

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Title **House panel hears AT&T defend its phone call taping practices**

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Abstract H. W. William Caming testified before a House subcommittee and defended AT&T's practice of taping calls to identify blue box and black box users.

Keywords AT&T; toll fraud; wiretapping; H. W. William Caming (atty., AT&T); blue box; black box; Greenstar

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Source Alan Rubinstein

in the nation's capital

House panel hears AT&T defend its phone call taping practices

Victor Block, Washington Editor

An attorney for AT&T has described to Congress an anti-toll fraud operation that included listening in on some 1.5 to 1.8 million telephone conversations over a five-year period. The procedure also entailed taping the calls for periods lasting from 60 seconds to the entire length of the conversation.

This testimony was offered by B. W. William Caming, an AT&T attorney, during hearings by the House subcommittee on courts, civil liberties and the administration of justice. The Judiciary Committee panel is looking into reports that surfaced in recent weeks about an anti-fraud operation by AT&T said to have included "eavesdropping."

As described by Caming, the 1.5-to-1.8 million calls were selected at random out of some 30 million that were surveyed between 1965 and 1970. At the time, he said, this was the only way to detect the use of "blue" and "black" box electronic devices used by people to gain free access to long distance lines without having to pay for such calls. Listening for the tell-tale electronic signals emitted by the devices, he said, was the only method the company had of detecting their use. Caming estimated that since illegal use of the electronic signallers was first revealed, such fraud has cost the Bell System about $1 million in revenues.

The AT&T attorney told the House panel that of the calls selected for monitoring, about 900,000 were tape recorded for periods of 60-90 seconds. Another 600,000, he added, were taped for periods lasting from five minutes to their entirety. Asked by subcommittee members about the legality of this operation, Caming said AT&T's investigation was conducted in compliance with Federal Communications regulations governing steps to combat fraud. He testified that AT&T officials found what they believed to be "provable illegality" in about 25,000 instances, of the total 1.5-to-1.8 million calls that were selected for listening. However, he added, the company prosecuted these cases on a "selective" basis, largely because it was afraid publicity would have distorted its survey by keeping users of toll fraud devices from trying to subvert the pay system. He later told reporters that "minimal" consideration also had been given the concern that revelation of the program could have harmed the company's image.

which toll calls were intercepted random between November 1966 a March 1970 and explaining its syst of monitoring, service observing.

The company said that New Jers Bell, as well as the entire Bell Syste was faced with a problem of electro toll fraud of unknown dimensions b of potential great and unavoidable lo of revenue. The toll fraud was a complished through use of illeg "blue" and "black boxes." To chan the method of switching across t Bell network would have cost appro mately $1 billion, so as an alternati the Bell System undertook a toll mo toring program to statistically esta lish the magnitude of the proble New York, Los Angeles, Miami, D troit and Newark, N.J., were chos as monitoring sites.

A random sample of incoming tru lines to Newark were wired with sm tape recorders which were activated the first sign of potential toll frau A portion of the suspect call then w recorded on a master tape if further i dictations of toll fraud appeared.

Master tapes were sent to a speci group at AT&T's Long Lines Dep for further analysis and determin tion of the existence of toll frau Tapes then were erased and statistic information sent back to the local Be companies.

A New Jersey Bell spokesman em phasized that company employes coul not listen in on the recorded calls sinc the master tape included no headphon device for playback. The company als stated that the procedure was com pletely legal and had survived man court challenges.

In addition, New Jersey Bell cite the Communications Act of 1934 whic states that it is the obligation of th telephone company to protect custom ers against discrimination among rate payers. Allowing toll fraud to g unchecked would have penalized hones ratepayers.

The company said that toll frau monitoring led to two toll fraud con victions in New Jersey but added tha the purpose of the program was main ly to gather statistical evidence on th problem. Systemwide, it was found tha approximately 350,000 toll frauds wer committed at an approximate loss of $ million in telephone company revenue per year.

In response to questions on monitor ing equipment made available to out side businesses, the company said i does provide private businesses witl monitoring equipment for service observing in employe-customer dealings New Jersey Bell added that companie obtaining the equipment from the tele phone company must sign an agree ment that all employes will be in formed of the use of the monitoring equipment.

Further cross-examination of New Jersey Bell's testimony has been scheduled.

New Jersey PUC Commissioner Joel Jacobson and Stewart Pollock are presiding at the public hearings.