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Title	Right of Privacy Act of 1967: Hearings before the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary of the United States Senate
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Abstract	Testimony of Mr. Olszewski, a law enforcement officer of some sort, who says "in one of our raids we seized a cheese box in the home of one of the racketeers. We understand that in Detroit there have been strong suspicions that they have been using a blue box device... that is a device that defrauds the company of long-distance toll. They can dial a number, by flicking some high-voltage or high-frequency switches, throw the call out of the circuit of the telephone company, continue the call, make the connection as far away as Europe, I suppose, if they wanted to, certainly throughout the United States, and no record of the call would be made. And this, of course, makes their business much more profitable and much more difficult to detect."
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RIGHT OF PRIVACY ACT OF 1967

HEARINGS BEFORE THE SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE OF THE COMMITTEE ON THE JUDICIARY UNITED STATES SENATE NINETIETH CONGRESS

FIRST SESSION

PURSUANT TO S. RES. 25

ON

S. 928

TO PROTECT THE RIGHT OF PRIVACY BY PROHIBITING
WIRE INTERCEPTION AND EAVESDROPPING, AND FOR
OTHER PURPOSES

PART 2

APRIL 4, 5, 6, 19, 20, 21 AND MAY 17, 18, AND 19, 1967

Printed for the use of the Committee on the Judiciary



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Senator LONG. Thank you, Mr. Arn. The Chair is amazed at the detail in which you recall that without making a further investigation of your records, when you apparently were not able to answer earlier questions of the chairman and of the staff in detail on that matter. Apparently you did refresh your memory on these some time, but you overlooked the other matters we wanted to interrogate you about earlier.

Mr. ARN. Mr. Chairman, I was certainly able to get into the major matters of this by reviewing the files. I did spend about a week, I believe, recently reviewing the case files, reviewing progress reports, and reviewing other things like that. There are certain notes, of course, that would not be in there. Everything would not be in the files that I reviewed.

Senator LONG. Mr. Fensterwald, do you have any questions?

Mr. FENSTERWALD. Mr. Olszewski, I think there was considerable testimony before another subcommittee of the Judiciary Committee several years ago about the Gotham raid.

Mr. OLSZEWSKI. Yes, sir.

Mr. FENSTERWALD. As I recall that testimony, the general impression given was this was a major operation of the Detroit police force. Is that correct?

Mr. OLSZEWSKI. I did not give that testimony, Mr. Fensterwald.

Mr. FENSTERWALD. I am asking you now whether the impression that I received from the testimony is correct. Was it a Detroit police operation basically, or was it basically a Federal operation?

Mr. OLSZEWSKI. Basically it was a Federal investigation.

Mr. FENSTERWALD. And the Detroit police were just helping in an auxiliary capacity?

Mr. OLSZEWSKI. Yes, sir, they assisted us.

Mr. FENSTERWALD. Secondly, do you know if, in fact, there was a leak in security with respect to that case?

Mr. OLSZEWSKI. We heard rumors that there was a leak. However, considering the results that were achieved, I rather doubt that if the leak was there, that it was very large. They certainly didn't bail out of the hotel before we got there.

Mr. FENSTERWALD. The reason I raise the question is that I have heard that there were several specific gamblers who were normally in the hotel at that hour who had left somewhat hurriedly in the day.

Mr. OLSZEWSKI. I heard the same rumor. However, it was my understanding that those gamblers were not necessarily there at that time. The raid was conducted, was kicked off at 5 o'clock. They could normally arrive or be there at 6:30 or thereabouts. We had hoped that the particular individuals would have been there. However, we feel that in view of what was seized, had there been a leak, there would have been a destruction of records, because we received a truckload of records out of the place.

Mr. FENSTERWALD. Have you ever heard that 150 stolen telephones were installed in that hotel before the raid?

Mr. OLSZEWSKI. Pardon?

Mr. FENSTERWALD. 150 telephones that were stolen from the Michigan Bell Telephone Co. were illegally installed in that hotel before the raid?

Mr. OLSZEWSKI. No, sir, I had not heard that.

Mr. FENSTERWALD. No further questions.

Senator LONG. Are you through, Mr. Homme?

Mr. HOMME. I am through, sir.

Senator LONG. Senator Hart?

Senator HART. Thank you, Mr. Chairman.

I was intrigued by a passing comment that you made to the chairman that your own telephone wires were tapped. Now—and I say this without criticism necessarily—you are expert in the business of electronics?

Mr. OLSZEWSKI. No, sir, I am not.

Senator HART. Well, available to you are experts. And yet you say that you were not able to find out who did it. So if a citizen turns up with a tap on his phone, he hasn't a ghost of a chance, has he?

Mr. OLSZEWSKI. Frankly, it is my understanding that most taps are almost impossible to trace. And ours—we called the Michigan Bell, because I don't think any of our people are sufficiently expert to detect and trace a tap. To have had the training required for that, it would be Michigan Bell expert training, and they traced it down to the main terminal box in the Federal Building, and were unable to take it beyond that.

Senator HART. And even more difficult, I suppose, is running down a bug. Have you ever been bugged?

Mr. OLSZEWSKI. I probably have, but I don't know it. We share the chairman's concern about electronic devices—particularly since the racketeers, the syndicate people, are using them more and more, and they have far more sophistication than I could ever conceive if I had not read the articles about them. In one of our raids we seized a cheese box in the home of one of the racketeers. We understand that in Detroit there have been strong suspicions that they have been using a blue box device—

Senator HART. Using a what?

Mr. OLSZEWSKI. A blue box. That is a device that defrauds the company of long-distance toll. They can dial the number, by flicking some high-voltage or high-frequency switches, throw the call out of the circuit of the telephone company, continue the call, make the connection as far away as Europe, I suppose, if they wanted to, certainly throughout the United States, and no record of the call would be made. And this, of course, makes their business much more profitable and much more difficult to detect.

Senator LONG. The boy that developed that blue box, wasn't he just a college student that developed it and broke that circuit, and learned how to use it?

Senator HART. I begin to get the uncomfortable feeling after a couple of days here, that we can pass laws until they run out of our ears, but the magic and sweep of science will far outrun our ability to insure that privacy shall be respected. The telephone has become an instrument of crime. It is the best device that they have to do business without detection.

Senator HART. You are talking to a fellow who resists this business that we should open up the tap. But it is an argument that is most sobering.

I want to ask you a question that is specific with respect to a comment of the chairman.

This committee has heard of actions by Internal Revenue personnel which appear to have been in violation of law. But with respect to

of his own personal knowledge anyhow. And maybe this should be separated, too, into a third category, and have a third category—that of the bug that is placed and left.

Senator LONG. I want to be sure we understand each other, because our bill provides that where one party to it agrees, that would be entirely legal. But I want to be sure you did realize that the danger is there for the promiscuous use of the bug, as well as the telephone tap.

Mr. PIERSANTE. I see no reason why the entire country cannot live with this problem under judicial safeguards.

Senator LONG. And the law enforcement segment of our society could live and enforce the way.

Mr. Waters?

Mr. WATERS. Thank you.

Mr. Piersante, I would like to commend you for a very informative presentation. Based on your wide experience as a police officer and detective, you have made a considerable study of the effect of this type of equipment used by organized crime. I appreciate that in your department there are safeguards built in where these things are utilized only when some other party has entered into the judgment. This is not necessarily the case where the criminal element is using it. In connection with your endorsement of this bill, I wonder if you would care to comment on the extent to which this type of equipment is used by the underworld, based on your brief testimony on Mr. Mays' participation?

Mr. PIERSANTE. I believe that what has come to light in the Detroit area, regarding racketeer use of electronic equipment, indicates that it is extensive and efficient for their organizational purposes. They use it on an almost daily basis. Some of the most sophisticated techniques that I am aware of, that I have read about in national magazines, that I have heard discussed, have been developed by electronic experts who have prostituted their talents to the racketeers. The so-called cheese box and the back box and things like that that we have read about, that can do things that not only defraud the telephone companies, but thwart the legitimate efforts of law enforcement in tracking them down.

Mr. WATERS. And this equipment is generally available, is it not, to anybody who has the price to pay for it?

Mr. PIERSANTE. Well, I don't know if it is generally available, Mr. Waters, but I am sure that with the affluence of the people in organized crime, that they can influence electronic experts to make these gadgets for them.

I think as the Senator mentioned yesterday, one of the persons who became involved was a young college student, who developed some information by reading in the library.

Now, he could be corrupted, I suppose.

Senator LONG. He was the developer of the blue box, wasn't he?

Mr. WATERS. The chairman has made the point that the device which you have referred to was the blue box, which is designed to intercept telephone calls from the telephone companies billing system, so individuals using it for their own criminal purposes would not only have their calls relatively free from tolls, but relatively free from surveillance of any type whatever?

Mr. PIERSANTE. Yes, sir. One of the devices, as I understand its workings, can mean that a horse bet player can call a particular place and that the call is automatically transferred to some far-off location. It could be any place in the country, the way I understand it. And that once the police became aware of the fact that horse bet players were using this particular number and checked out its listing, that they would not find anything at the location where the phone was.

Mr. WATERS. In connection with the equipment which was discussed—received by yourself—isn't it possible this may have been sent to the police department, perhaps to other police departments, by the manufacturer to look at it and have an invoice accompany it? It may have come under order?

Mr. PIERSANTE. Yes, sir.

Mr. WATERS. There are a lot of catalogs out with this type of equipment in it, are there not?

Mr. PIERSANTE. I am certain there is a lot of equipment, like dictating equipment—I know this is aside from this particular problem—that has come to our department on a trial basis, so that we could make a demonstration as to whether we could use it for other purposes. It has come to the police department under my name—just so they would have somebody responsible for it. But it was never purchased. It was generally returned, because we could not get it through the budget.

Mr. WATERS. Thank you, Mr. Witness.

Thank you, Mr. Chairman.

Senator LONG. Mr. Piersante, we may be through with you as a witness, but we are not sure yet. We might want you to come back at the committee's convenience again.

At this time the committee will stand in recess until 2 o'clock this afternoon.

(Whereupon at 12 o'clock noon, the committee was recessed, to reconvene at 2 o'clock on the same day.)

AFTERNOON SESSION

Senator LONG. The committee will be in order.

Mr. Piersante.

TESTIMONY OF VINCENT PIERSANTE, ACCOMPANIED BY RAYMOND G. LARROCA, ATTORNEY—Resumed

Senator LONG. Mr. Piersante, my staff advises me they have checked with the manufacturer and the distributor of this gadget that was shipped to you, and they can find no record of its return. It is not a serious matter at all. I realize things like this can happen. And if you or the police department have any different information to set the record straight—you can furnish it for the record.

Senator HART. I think it is serious enough to get an answer in the record.

Mr. PIERSANTE. Would you want me to check with the police department? I can do that right now.

Senator LONG. It is not a seriously important matter at all. But just to clarify the record and keep it straight. I am sure you have given us your best information concerning this.