



Exploding The Phone

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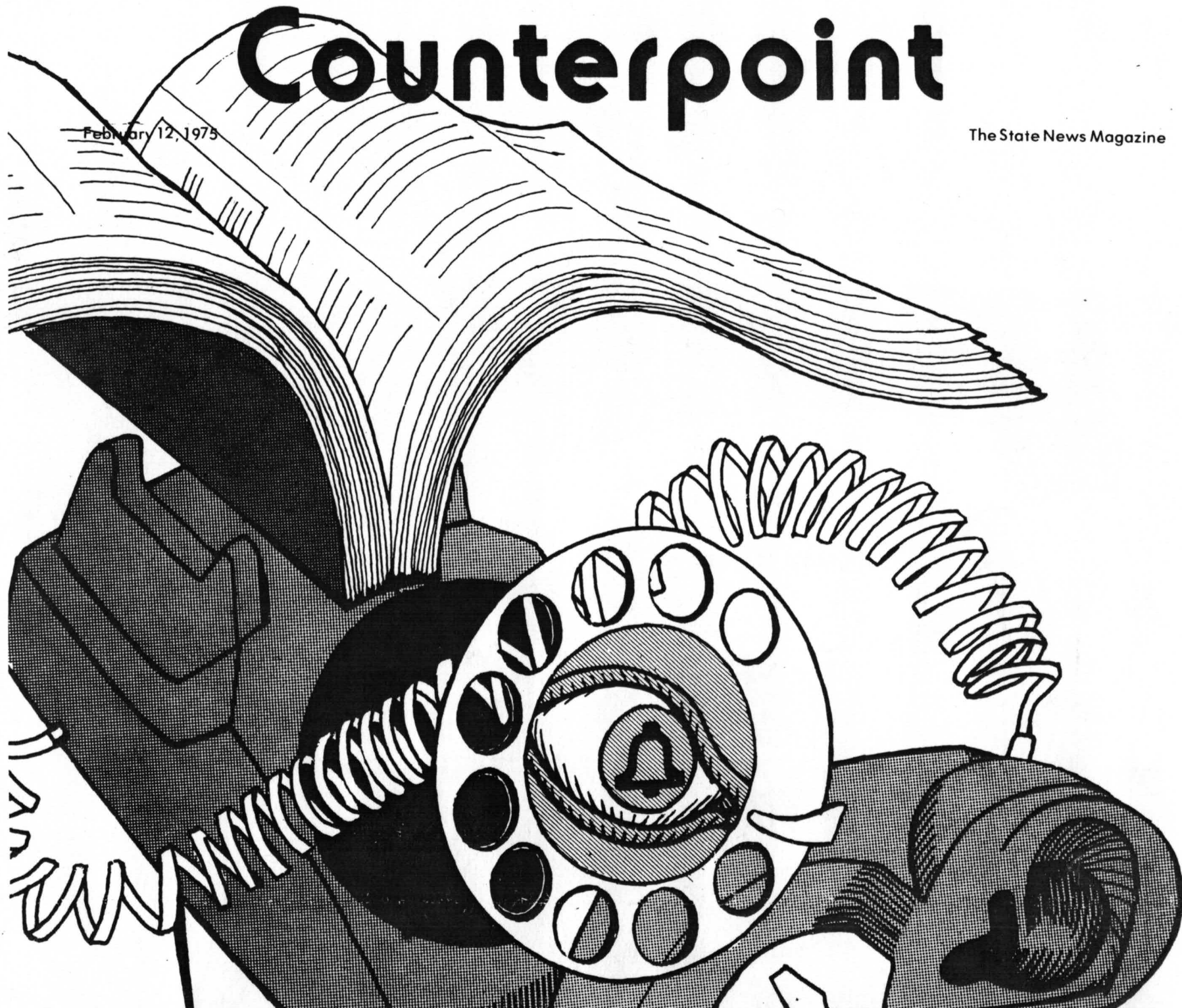
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Counterpoint

February 12, 1975

The State News Magazine





It's not nice to fool

p.3

The next best thing to being there

By RALPH FRAMMOLINO

Put a little joy in someone's life today ... call them long distance. It doesn't cost much.

And, if you know how, or know someone who does, you can do it free.

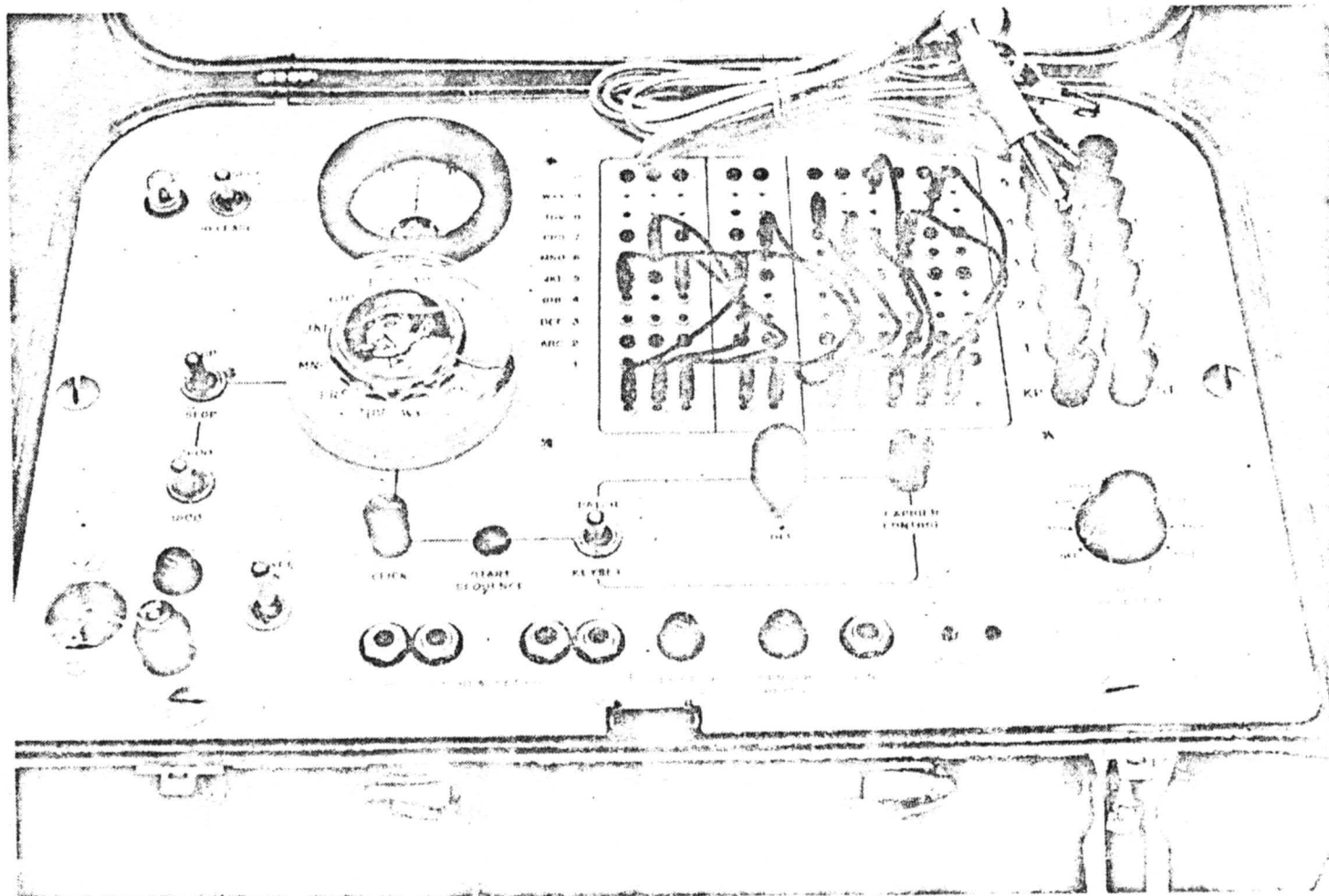
Doing it free is a pasttime (obsession, business, habit, phobia also seems to fit) of thousands of telephone users nationwide—all it takes is knowing how to play with numbers, the right ones, or having more than just a working knowledge of electronics.

Bell telephone has lost \$5 million in Michigan since 1970 and more than \$84 million nationwide during the same period. The money amounts to less than a per cent of Bell's annual profit but that doesn't prevent the company from keeping its eye, and ear, out for dial-tone dilettantes.

Those who violate Ma Bell's trust do so in a variety of ways such as making up credit card numbers, charging calls to non-existent lines and—in one of the more esthetic forms of contemporary corporation rip-off—by use of electronic hardware.

Long-distance abusers might argue that Bell is so big it doesn't matter and would no doubt be supported in some cases by those who are angry with the company's yearly rate hikes.

No one rationale seems typical, however, and, like the many varieties of the Princess phone, no two phone freaks are alike.



photos/Joe Kirby

Electronic devices have a long lineage, dating back to the 20's and 30's when gangsters used cumbersome briefcase - like devices to prevent their calls from being recorded. These boxes were too often spotted in a raid or an arrest and

since then, people have been making smaller ones. Bell Telephone employee Herschel Peters pointed one out in the company's collection of recovered illegal devices that was constructed to fit into a felt pen.

"I do it mainly because I'm into electricity," said one MSU student. "In the dorm situation, you can get into the phone lines and tap into someone else's line above or below."



Devices to avoid paying one's long-distance phone bills have improved over the years, including one small enough to fit into the tip of a pen.

He said a phone can be removed, making the wires running up and down the wall all too vulnerable to be worked on.

He is annoyed by the suggestion that the unwitting third party in the process would get stuck with the bill.

"I assume that if the guy has any intelligence at all he will call the telephone company and say he didn't make the calls," he replied.

Usually, this is easier said than done. The vital statistics of a call—what time it was made, what number it originated from, where it was received, and how long it took—are recorded and logged by the company. Calls charged to a person who did not make them can be filtered out, but if an instance is not obvious, the law says the person whose phone was used to make the calls is responsible.

Another MSU student said he first started making long-distance calls in pursuit of the object of his amour, running up an \$800 bill in the process.

"At first we made up our own imaginary number. Then we learned how to figure out credit card numbers of various companies," he said.

But he violated one of the cardinal rules of credit card freebies, using his own phone. His calls were eventually traced.

"They got wise and put 2 and 2 together," he said. "They harrassed me for 6 or 7

months."

Bell lost the suit—it never filed one, in fact—and he lost the girl.

Herschel Peters, Security supervisor of toll fraud in Michigan, said he understands the desperate nature of love and what it will do to its participants. He does not concede them the privelege of making unnoticed calls, however.

"People think that using circuits that are already there is

paradox of good and evil inherent in technical knowledge.

He doesn't believe free callers are the vindictive type, rather they are those with an intense curiosity and insatiable desire to improve their technical skills.

The procedure for picking up on telephone fraud cases is varied and Peters admitted that Bell is at a disadvantage, unable to keep up with new methods of possible bilkers.

He said the company is

actually took place.

The change came in 1971, when Bell bigwigs decided the company should not sit back and take lumps, but travel to the point of the calls and try to pick up the person there. Peters said the new methods have increased the number of apprehensions.

Michigan seems a quieter place in this respect, totalling only 32 arrests of a total of 2,630 nationwide since 1970. Still, Michiganders are respon-

Bell spokesmen have admitted the existence of a procedure in the late 60's that could scan circuits, focus in on an illegally made call, and tape up to two minutes of the conversation . . . "It was like a traffic cop sitting at a corner on I-96 . . ."

OK, but it's stealing," he said flatly.

Peters is a Ma Bell's boy from the word go. He started out 28 years ago driving an installation truck in Detroit and has since worked his way up. He spent a stint as a rate-maker and also a short time with public relations. He moved into security, a job he finds stimulating.

"Most of the engineering students are very knowledgeable," he said in reference to some of the perpetrators of electronic fraud. Peters credits many of the potential offenders with genius capabilities and philosophizes wryly on the

currently not substantially worried about the money it loses, but it fears the amount would grow. At one point in 1973, Bell decided people was ripping it off too much and a more aggressive tracking theory was developed.

Bell completely scratched its traditional method of detecting and following up calls. Formerly, calls were traced through the billing dept., a process that was hindered if out-of-state calls were made on stolen or lost Michigan credit card numbers. The investigations were handled through the Michigan offices instead of by agents in, say California, where the rip-off

sible for over \$5 million worth of free calls during that time.

According to Peters, Bell does have an advanced enough system that will, if enough illegal calls are placed by an individual, catch almost anyone. He and Bell officials remain secretive about all the details, however, claiming that if it were revealed, phone-loving electricians would have a field day.

Technically, telephone frauds fall into two categories—misrepresentation and use of electronic devices.

Peters said that 35 per cent

H blue goose can cut costs

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of the calls fall under the category of misrepresentation which covers billing to a third party, tapping lines into another phone and, most common, illegally using credit cards.

The telephone credit card number is based on a specific formula unique to each company which has an account. The first part of the credit card number is the home or main office telephone number of the company—a hypothetical example: 334-5676. Then, the area code is added.

These area codes are different from the regular area codes used in direct dialing. Some area codes are 083 for Detroit,

The code that converts numbers to letters is the key in a successful attempt in using a credit card number. This code is changed once a year by the telephone company.

"Our operators often realize fraud when it happens," Peters said about credit card fraud. "Usually the people call at the same time every day and the operators know what is going on, but there is nothing they can do about it."

A Lansing operator said she checks the credit card numbers with the code and if she finds a discrepancy, she notifies her superior. A check is run to see if the call is bogus.

"People think that using circuits that are already there is OK, but it's stealing." — Herschel Peters, Michigan Bell security supervisor.

032 for Washington, D. C., 021 for New York, 001 for Boston, 058 for San Francisco, 182 or 184 for Los Angeles and 074 for Chicago.

If the phone number is located in New York, the credit card number would then be 334-5676-021. Next, according to people who use this method to defraud the phone company, comes the difficult part.

After the area code comes a letter. This letter corresponds with the fifth digit in the home phone number of the company. For example, the 6 in the phone number corresponds with the letter "J". The completed code

By far, the biggest thorn in the side of Ma Bell, and the most painful, are those people who manipulate wires and circuit to get a free phone call. Many people can pick up the essentials in building such devices in any electronics store. Peters says that construction of such a device is relatively simple, and certainly a snap for those in technological fields.

The blue box, or blue goose, is the name of devices used in making outgoing long-distance calls at no cost. The blue goose enables the user, by use of multitone frequencies, to break

This is done by calling the operator at any station in the area and knocking her out of the connection by the use of these frequencies.

The user continues manipulating the frequency until he gets it to pick up on the number desired. The operator does not know she has been knocked out of a circuit, it sounds to her as if the calling party has merely hung up.

A black box is similar, with the exception that it can be used to receive any incoming calls at no cost to the calling

This device operates on the same principle as the blue goose, with dial tones being filtered out. On Bell's pickup equipment, it would be as if the phone were never answered.

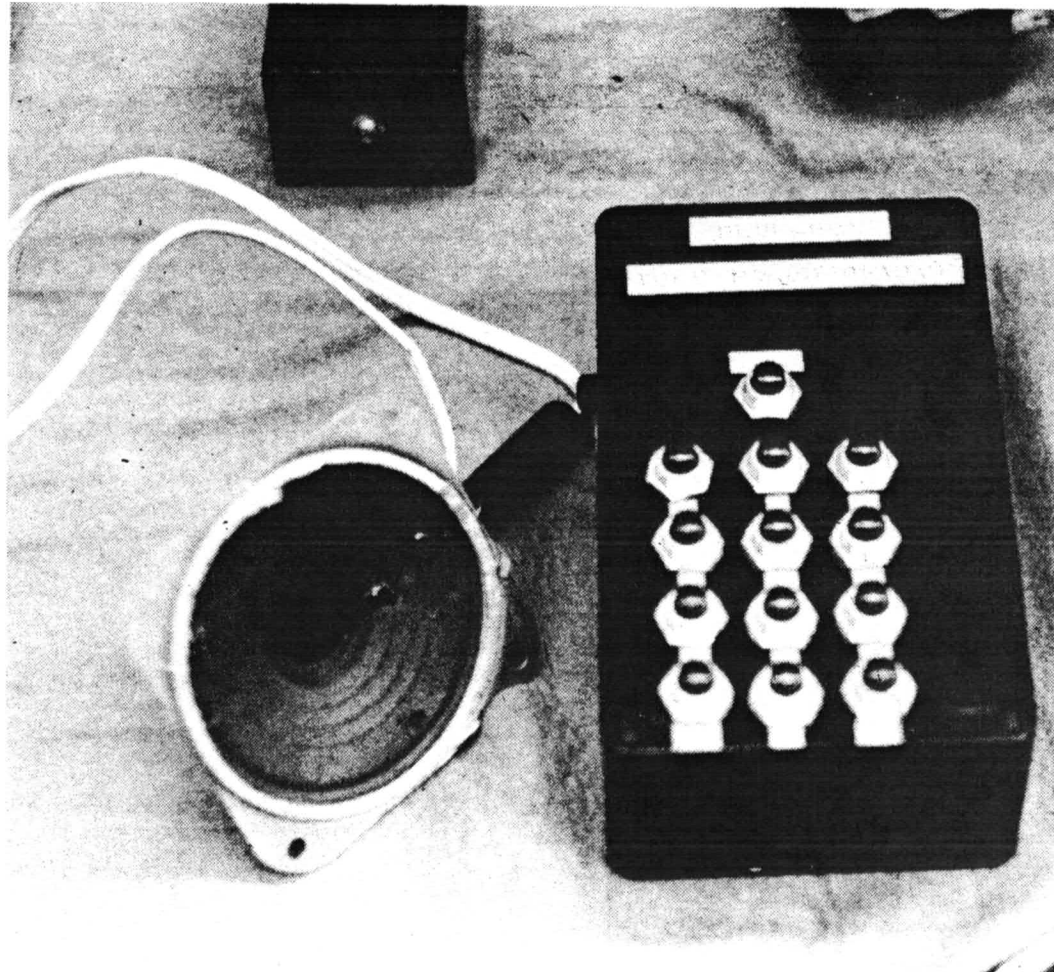
Earlier versions of the blue or black box were used by organized crime figures in the 20's and 30's to prevent calls from being traced or recorded. Mobsters who used the devices found themselves continually replacing them as police often confiscated the devices during raids. They were not easily hidden.

One electronics wizard des-

"lot of switches and amplifiers" to receive calls undetected.

"You have someone call you long distance at a certain time and as soon as the phone rings, you throw a switch," he said. "This bypasses the circuits inside of the phone so, to the phone company, the phone is still ringing."

The possession, use of construction of such devices is by Michigan Law a misdemeanor, requiring a fine not exceeding \$500 or imprisonment in the county jail up to one year, or both. Federal Law punishes



Ma Bell works on getting even

Continued from page 4

such practices by a fine not more than \$1,000 or imprisonment up to five years, or both.

"I would readily admit, they (electronic fraud devices) are tough to detect," Peters said. "You don't have a readily identifiable terminating number". (A terminating number is the phone at which the call is received.)

But Ma Bell is doing her best in a game that could be named counter-intelligence. Bell

stressed that only suspected illegal calls were monitored. After, the tape of the call was sent to a special investigative division in New York, examined, and then destroyed.

The scanning of circuits became obsolete and was junked in 1970, only to be replaced by another system. The new system, which Bell employs in its arsenal to combat free calls, does not have the hit-and-miss effect of the scanning system. It can only zero in on specific

"I assume that if the guy has any intelligence at all he will call the telephone company and say he didn't make the calls."

spokesmen have admitted the existence of a procedure in the late 60's that could scan circuits, focus in on an illegally made call, and tape up to 2 minutes of the conversation. The system was installed by the company to take a random sample and determine the amount of electronic fraud being perpetrated.

"It was like a traffic cop sitting at a corner on I-96," said Pic Wagner, Public Relations Chief of Michigan Bell. Wagner

calls from specific points, and only under the guise of probable cause. Company officials remain secretive about the system.

Peters does not extend the sympathy held for gun-toting lawbreakers like Jesse James, to convicted telephone defrauders. He said most of them are college-age students but recalled one instance when a talent agency was caught with its receiver down.

Diversified Management, a Detroit area firm, was detected using electronic devices for placing calls. On September 13, 1972, FBI agents arrested employees of the company and, eventually, David Leone, president, and Richard J. Krajniak, employee, entered pleas of no contest to charges brought against them. The company was one of many who were engaging in telephone fraud which spanned in several areas of the country.

Ma Bell weaves the thread of a case slowly, before facing the difficult task of trying to get a suspected rip-off artist to pay up.

"Surprisingly, we find willing witnesses," Peters said. "Sometimes, in a situation when we meet them face to face, they are willing to tell you what is going on." Peters said that anyone could be a witness and in many cases, they are friends of the suspect.

The witnesses are asked to sign documents confirming that the suspect has been actually making the illegal calls.

From there, Peters can take two options.

If a small amount of money is involved, the suspect is often confronted with the statements and evidence. He is then asked



*"We see the tears and the results."
Herschel Peters, Bell security supervisor*

to pay up what he owes. Peters says that it is sometimes difficult to collect.

"They are basically dishonest people and are going to try to get out of paying anyway they can," he said.

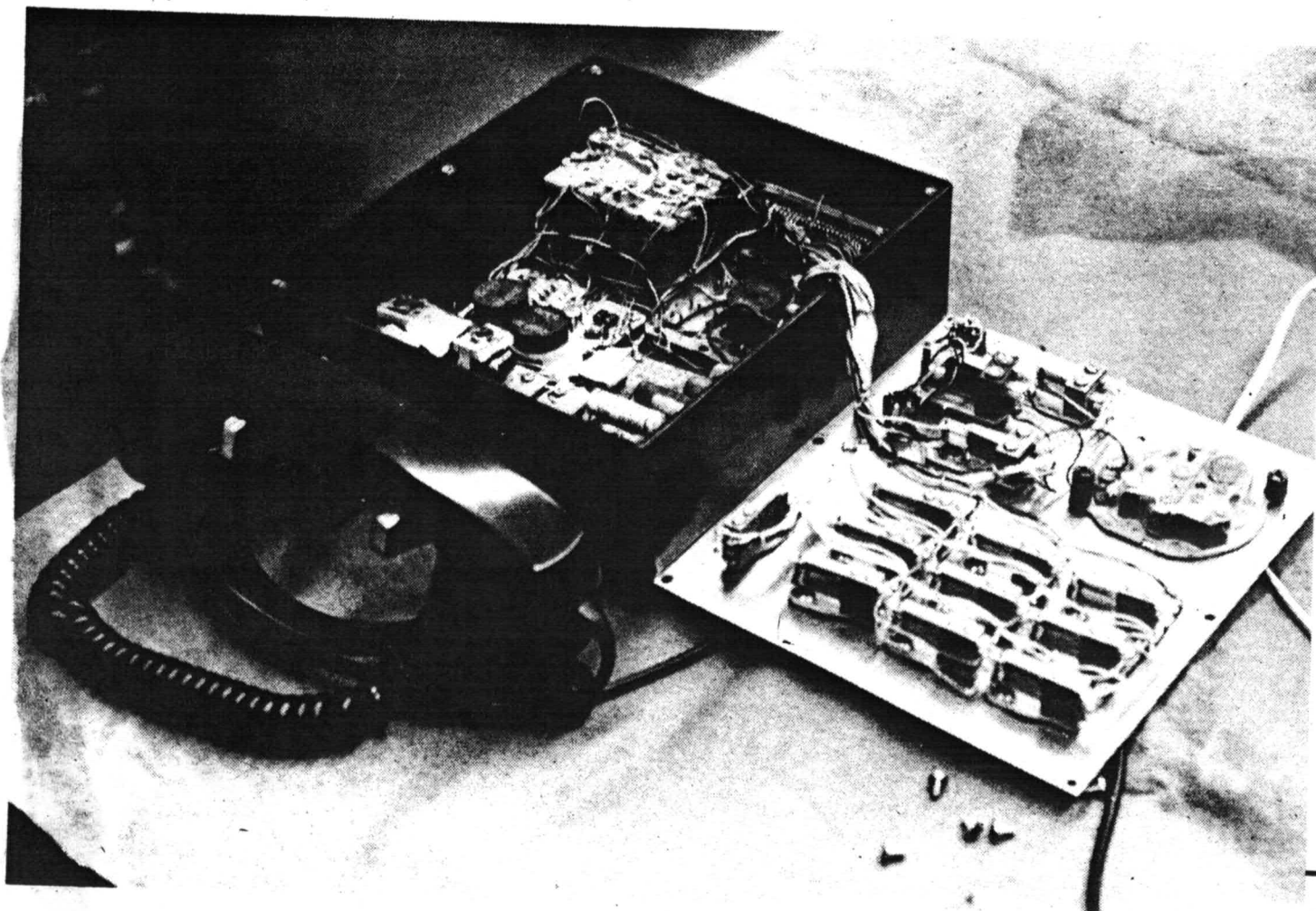
But when Peters gets a big case (any amount over \$100 is considered a felony) he gets a warrant along with it and goes to work.

"This is our job, it doesn't make any difference in regard to age or sex — we go for a conviction," he said. "We see

the tears and the results."

Though it may seem a bit hard-nosed, even a little humorous, to imagine a telephone as an exhibit in a heinous crime, Peters said the main idea behind any prosecution the company involves itself in is deterrence.

It doesn't matter that the total amount is a small per cent. It may just be that Bell wants to continue implying there is a bit more sacrifice involved when it says "It's the next best thing to being there."



Methods of getting through to, or being gotten through to, vary with the particular capabilities of the individual. Although tampering with such materials can bring a stiff fine, not to mention a jail term, there are still plenty of electronics wizards around willing to take the risk. The devices shown here and below are now in the hands of Michigan Bell at its crime research lab.