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Abstract Overview article on phreaking, mostly focusing on third-number fraud.

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AT&T Has Phone Phreaks'

By PETER TONGE
Christian Science Monitor

A teen-ager in North Carolina, with an unwavering admiration for professional athletes, recently telephoned every member of the Oakland Bay Bombers roller derby team in distant California; a baseball player in Baltimore; and several stars of the Pittsburgh Pirates baseball team.

He made 35 calls in all, some of them costing as much as \$10, but charged them to numbers that were not his own. Ultimately he wound up in court.

Three Pensacola, Fla., girls logged \$950 worth of calls using the same "third number" trick. One of them even admitted to a five-hour conversation with a friend in another state.

Another way to defraud telephone companies is to quote the number of someone else's credit card when making a call. Then there are the so-called "phone phreaks," those wizards at electronics who rig intricate little gadgets to their phones that enable them to bypass the billing apparatus.

But it's getting harder. Consider these figures:

Just three years ago there were 215 arrests and 207 convictions for fraudulent use of the telephone; in 1971 there were 377 arrests and 292 convictions. Last year arrests rose to a whopping 1,050, with 844 convictions so far. Several cases still are pending.

Denis Mollura, an American Telephone & Telegraph Co. spokesman says, "Those who steal this way now stand a pretty good chance of being caught."

Five years ago, credit card and third-number fraud cost the telephone companies a relatively small \$3.5 million in lost revenues. But just two years later, in 1970, that figure had climbed to \$28.3 million. This did not include losses through the use of electronic gadgetry. Such losses, say telephone spokesmen, are virtually impossible to calculate.

It became obvious that toll fraud was geographically widespread in the U. S.; that what had begun as an anti-establishment, "new Left" tactic to "beat the system" now pervaded society as a whole; that the majority of phone thieves, in fact, belonged to middle- and upper-middle-class society.

Number

People who wouldn't take so much as a candy bar from a store apparently thought nothing of theft by wire. Many business executives, company presidents, even members of the clergy were found to be involved.

At this stage AT&T formed its Toll Fraud Control Task Force which devised methods to thwart and detect this type of theft. These included changes in toll office computer programming and more precise and quicker traffic-pattern analysis.

Along with the increase in the number of arrests made, toll losses have been cut by almost \$11 million to \$17.8 million last year.

Traffic-pattern analysis has been particularly useful in detecting "blue box" use — so named because the electronic gadgetry used to bypass the billing system in the original case investigated was contained in a fist-sized box.

The most famous of the "phone phreaks" was Captain Crunch, so named because he used the toy whistle from a Captain Crunch cereal box to duplicate the telephone system's tone and call toll free around the world.