



Exploding The Phone

db788

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Bibliographic Cover Sheet

Title **Business Phone Fraud Charged**

Date 1972-09-12

V/I/P p. 9

Abstract Federal agents arrested four in raids on an alleged nationwide "blue box" scheme to make free long distance calls. Raids took place by the FBI in Dallas, Houston, Chicago, Cleveland, and Minneapolis. Those arrested include Martin Leibow, Marvin Valencia, Mrs. Lillie S. Autry, and Roland Newsome.

Keywords Martin Leibow; Marvin Valencia; Concord Enterprise Co.; Mrs. Lillie S. Autry; Roland Newsome; Smitty's Airfreight and Expediting Service; Blue Box; Bell Telephone Co.

Source Newspaper Archive

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Business briefs

Home builders plan conference

Sept. 20 and 21 are the dates for a major conference sponsored by the Associated Home Builders of the Greater East Bay, on planned unit developments and cluster housing: "Where Do We Go From Here?"

The Conference will be held at the Marriott Inn, Berkeley Marina.

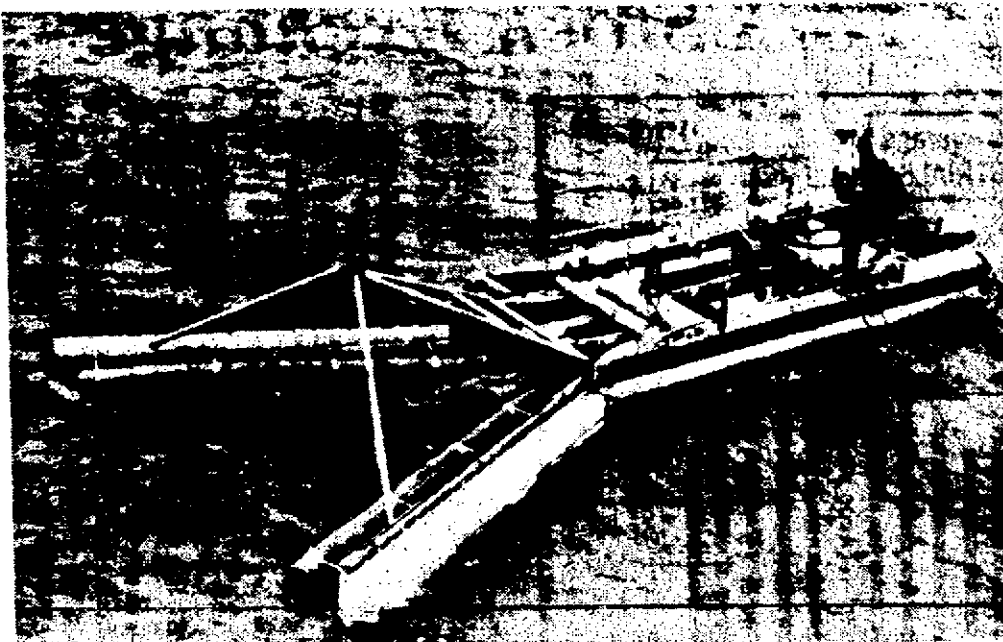
Sept. 20 will be a comprehensive bus tour of some of the Bay Area's finest planned unit developments. The 21st is the conference day and features speakers from both Northern and Southern California, including Ken Poulos, president of the U.S. Development Corp., Orinda, Donald Zellner, South Coast Development, Newport Beach; William Mitchell, president of Market Profiles, Santa Ana; and John Witsil, chief of the operations unit of

H.U.D., Washington, D.C. Will begin at 9 a.m.

Topics for the program include the "ABCs" of planned unit development creation, development, and sale; The land purchase; the product design; amenities and common facilities; making the product sell; zoning regulations, approvals; new court decisions; no growth and stop growth pressures; the homeowners association; and other issues.

Registration is \$50 for both days (bus tour and conference); \$21 per person for the tour only; and \$39 per person for the conference day only. Prices include lunch and all hand-out material.

More details on the conference may be obtained by contacting the association at Box 5008, Elmwood Station Berkeley, 845-7683.



New oil skimmer

This new oil skimming barge, developed by Shell Oil Co., incorporates a unique articulated design which permits various barge components to flex with waves and currents. This enables the barge to recover oil

spills quickly and efficiently. As a result, the barge is capable of recovering oil from water at speeds up to 2.75 feet per second with 95 per cent efficiency.

UPI Telephoto

August retail sales climb

WASHINGTON (UPI) — A Commerce Department report shows August retail sales were 9.5 per cent ahead of the same month in 1971.

The department said Monday preliminary figures estimated August retail sales at \$38 billion after seasonal adjustments.

This was 1.5 per cent above the July figure of \$37.1 billion.

The report said June through August sales were 2 per cent ahead of the previous three-month period and 10 per cent ahead of the comparable period last year.

S.F. official clears architects

SAN FRANCISCO (UPI) — City Attorney Thomas M. O'Connor has cleared two architectural firms of any conflict of interest in current renovation at San Francisco International Airport.

The architects are Dreyfuss & Blackford and John Carl

Warnecke. The firms are designing a segment of the airport expansion program.

Their contract became controversial when it was learned that they are also employed by Pan American Airways, which is to be one of the tenants of the rotunda.

Hodgson defends controls

SAN DIEGO (UPI) — The administration's wage and price controls are not benefiting business at the expense of the working man, according to Labor Secretary James D. Hodgson.

Hodgson, here to address the National Alliance of Businessmen, said Monday business profits have surged this year, but he said at the same time the American worker has seen a 3 per cent actual gain in take-home pay over the past 15 months.

"For the first time since 1965 the real wages of workers have increased and their purchasing power has increased," Hodgson said. "Before now all increases were burned up by inflation before

you could cash the paycheck."

"The public knows we have made progress," Hodgson said. "Inflation has been cut in half in the past two years."

The labor secretary said wage and price controls would continue until the rate of inflation had stabilized at two to three per cent annually.

Hodgson predicted unemployment, now at 3.5 per cent, would drop to 5 per cent by the end of the year.

He said the economy was "moving in the right direction."

While agreeing profits were exceeding the depressed levels of the past two years, Hodgson said they had not neared the levels of the late 1960s.

New compact

Oldsmobile unveils car

PONTIAC, Mich. (AP) — The Oldsmobile Division of General Motors unveiled the only brand new car offering of the 1973 model run today as it showed newsmen its new Omega compact car.

The car, built on an 111-inch wheelbase, uses the same body shell as the Chevrolet Nova and Pontiac Ventura.

The addition marked a successful end to a campaign by Oldsmobile top officials to get a compact added to their car line to better enable them to compete against other car makers, including other GM divisions. For a while, Olds had toyed with the idea of importing a compact — something along the lines of Buick's Opel.

manager of Oldsmobile since last May and a GM vice president, joined the chorus of top auto executives who saw nothing but expanded business ahead.

Kehrl told 100 newsmen at Olds' national press preview at Pine Knob ski resort that Olds would wind up the 1972 model year with a record high of 730,000 sales.

He predicted that record would not stand for long, with Olds 1973 model year sales expected to reach 793,000 units.

Kehrl was jubilant about the new Omega, and he predicted it would sell 57,000 units in its first year.

providing access to the lower end of the market where we have not competed previously," he said, adding, "It thus gives our dealers an opportunity to participate in a much larger segment of the market."

Olds, which is the oldest auto division in the auto industry, introduced Omega as a highlight of its 75th anniversary year, he said.

The division's car lineup, which goes on sale Sept. 21, was upped to 27 models — two more than in '72 — as its offerings ranged from the Omega to the luxurious 98 and the frontwheel drive Toronado.

Kehrl said Oldsmobile's bumpers and engine emissions controls exceed federal standards.

Wall Street chatter

NEW YORK (UPI) — Several cyclical issues with some growth characteristics have been performing better recently, notes Reynolds Securities Inc.

This coincides with its recent observation that "the lightning of new buying interest will strike more of the cyclical companies."

While some cyclical issues will assuredly become the targets of tax selling before the year-end, many others seem to have emerged from the "technical woods" and with an upward revision of their relatively low PE ratios should contribute more forcefully toward helping the Dow Jones industrials overcome 1,000 decisively and move into record high ground.

"Support in the event of a further September setback is apparent around 930-940 ... on the industrials," the firm says.

Market changes

Trading vs. long-term investing

NEW YORK (AP) — Many an old Boston fortune has been preserved over the decades by researching a fundamentally strong company, investing in it, and then putting the securities away in a vault.

There lay the certificates untouched, radiating dividends over the years, reproducing themselves through stock splits from time to time, thus keeping the family and its bankers and lawyers fed and content.

In recent years, however, that philosophy came into disrepute. In many instances bad securities were vaulted away with the good, and so the returns often were found to be less than they would have been with an occasional dusting.

In the past 20 years especially, the performance craze spread through the market, enveloping the portfolios not only of individual investors but of trusts, pensions, mutual funds and other institutions. In-out trading was the fad.

Now performance seems to have had its day. As anyone who casually follows the market knows, many of the institutional and private investors who amassed fortunes by turning over the portfolios 100 per cent in a year are broke. And they went broke blindly following the quick trade creed.

And so we have a reiteration of that old Boston philosophy by the Boston Consulting Group, which is a management consulting organization within the multibillion Boston Corp., which is a descendant of Boston Safe Deposit and Trust.

Says Bruce Henderson BCG president, "The stock trader can rarely win. The long-term investor can." No equivocation, no asterisks, no broad exceptions. But the reasons have changed some over the years.

"Tax laws and inflation combine against the trader. He loses too much capital in taxes," he says. "Investing becomes a house game in which the odds are stacked against him as they are at the race track or the casino."

Each time the trader sells at a profit he pays a tax. To say nothing of a broker's fee. But the long-term investor not only pays taxes at a lower rate but he pays only once instead of two or three times over the same time span.

If securities are traded rather than held, says Henderson, the income tax removes capital that otherwise should be compounding.

The combination of taxes and inflation, he states, sometimes cancels out what appear at the time to be profits. Of course, securities held in the vault are hurt by inflation too — but not by taxes or broker's fees.

Rather than succumbing to the performance philosophy, Henderson suggests investors might consider their securities in somewhat the same way a real estate buyer treats his investment. He holds for appreciation rather than trades.

This outlook has limitations, Henderson concedes. It does not apply to savings bank deposits. Savings, he states, almost always shrink in buying power because of inflation, taxes and interest rates kept low by law.

"Current tax laws make it nearly impossible for anyone to save enough from income to finance retirement," he states. He claims that to finance retirement through savings an individual would have to save one-third of his life income.

Other members of the supervisory staff are: Ralph Page and Steve Anderson, assistant store managers; Mike Ausmas, meat department manager; and Norman Low, produce department manager.

The store sits on the site of the old Safeway store that was operating in that location for more than 20 years. The old store was razed last January to make room for its successor, which is 30 per cent larger in square footage.

The new store includes a liquor department, a customer

service booth, wider aisles, and high-intensity lighting.

There are nine check-out stands and 42 employees to serve customers.

Manager of the new store is Bill Mason, who managed the old store and has worked for the company for 16 years.

Business phone fraud charged

DALLAS (UPI) — Federal agents Monday arrested four business executives in raids on an alleged nationwide "blue box" scheme to bypass telephone company billing equipment for free long distance calls.

Simultaneous raids were undertaken by Federal Bureau of Investigation agents at Dallas, Houston, Chicago, Cleveland and Minneapolis.

The four were charged with violating the federal fraud by wire statute and released on personal recognizance bonds by U.S. Magistrate Patrick H. Mulloy.

They were identified as Martin Leibow and Marvin Valencia, president and board chairman, respectively, of the Concord Enterprise Co., and Mrs. Lillie S. Autry and Ro-

land Newsome, president and general manager of Smitty's Air Freight & Expediting Service.

Sources hinted that more arrests might be made at Dallas which they said has become a manufacturing center for the blue box.

Authorities said the device is a multi-frequency tone generator which is put together for less than \$100 and is no larger than a man's fist.

The boxes were reportedly being sold to area businessmen for prices starting at \$3,000.

A spokesman for Southwestern Bell Telephone Co. said the firm was able to detect the users after they determined a long distance circuit was being used with no billing being made.

Texans buy San Diego papers

CHULA VISTA (UPI) — The Texas-based Harte-Hanks Newspapers, Inc., has acquired a second group of suburban newspapers in the San Diego area.

Publishers Lowell Blankfort and Rowland Rebele said Monday they had sold the Chula Vista Star-News and several related publications for \$3.15 million.

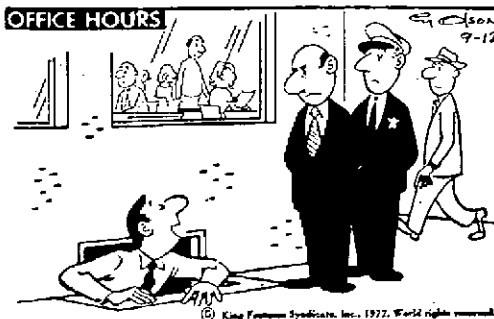
The San Antonio firm had previously bought the Sentinel newspapers and a half interest in a printing plant last week from Clinton McKinnon for \$3.1 million.

In the latest acquisition, Harte-Hanks obtained an option to buy the other half interest in the printing plant for \$680,000 in stock. Blankfort and Rebele own the other half interest.

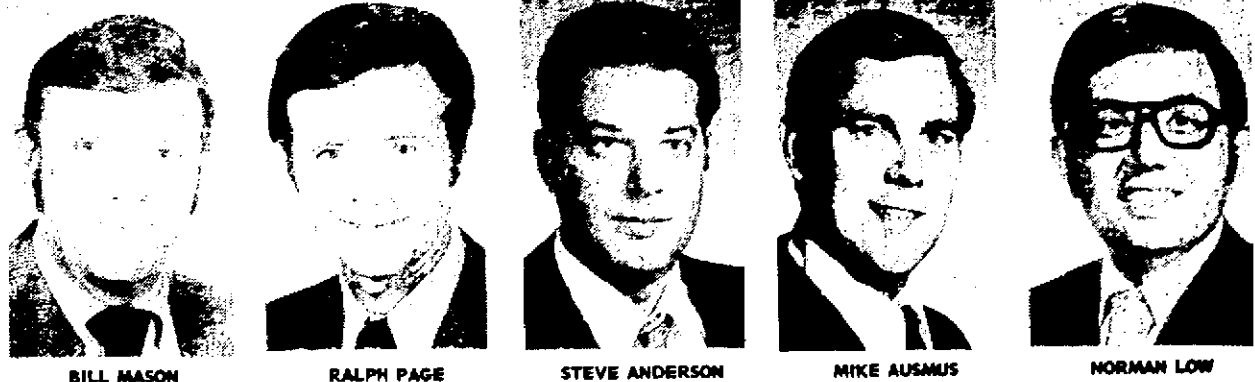
Over the counter

The following over-the-counter quotations are furnished through the courtesy of Dean Witter & Co., 1070 A St., Hayward.

American Express	54 5/8
Bendac	64 1/2
Bank of America	49 1/2
Bank of Tokyo	54 1/2
Bank of Am. Realty	24 1/2
Barclays Hind	45 1/2
Brenner's	15 1/2
Citizens Fed. Savings	20 1/2
Docu-Com	27 1/2
Franklin Life	24 1/2
Hazel	18 1/2
Hovell	24 1/2
Kaiser Steel	17 1/2
Measwell	25 1/2
Playtex Corp.	27 1/2
Raychem Corp.	18 1/2
Tampax	10 1/2
Teacor	22 1/2



"If I were sneaking out because of a shortage in my books would I leave without my hat and coat?"



BILL MASON RALPH PAGE STEVE ANDERSON MIKE AUSMAS NORMAN LOW

San Leandro Safeway to open tomorrow

SAN LEANDRO — The doors of San Leandro's newest Safeway store will open for business tomorrow at 9 a.m. immediately after the official ribbon-cutting ceremonies.

The store, at 15035 E. 14th St., has a mission archi-

lectural theme, parking for 165 cars, and a 10,000 item inventory.

The ceremonies tomorrow morning will be attended by officials from the company, the city, and the chamber of commerce.

The store sits on the site of the old Safeway store that was operating in that location for more than 20 years. The old store was razed last January to make room for its successor, which is 30 per cent larger in square footage.

The new store includes a liquor department, a customer

service booth, wider aisles, and high-intensity lighting.

There are nine check-out stands and 42 employees to serve customers.

Manager of the new store is Bill Mason, who managed the old store and has worked for the company for 16 years.

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