



Exploding The Phone

db838

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Abstract	Bernard Cornfeld, the one-time boy wonder of mutual funds, lost a bid to avoid a three-month jail sentence for defrauding the Pacific Telephone Co. Cornfeld, founder of the ill-fated Investors Overseas AServices, was convicted of using a "blue box" to avoid paying long distance calls. He took his case to the U.S. Supreme Court, which ruled against him.
Keywords	Bernard Cornfeld; Pacific Telephone and Telegraph Co. (PTT); blue box; Investors Overseas Services (IOS)
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Wall Street Journal, 3/21/78,
p. 7

Cornfeld Denied Review In Telephone-Fraud Case

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Supreme Court refused to review the 1976 conviction of international financier Bernard Cornfeld for cheating a phone company by using "blue boxes" to make illegal overseas calls.

Mr. Cornfeld, the one-time head of the IOS Ltd., mutual fund complex, faces a 90-day prison sentence, a \$3,000 fine and a requirement to pay restitution to Pacific Telephone Co.

He was convicted of three counts of wire fraud for using the blue boxes to place 343 calls during 1974 and 1975. The devices permit the user to bypass the phone company's billing apparatus for long-distance calls.

Pacific Telephone is 90% owned by American Telephone & Telegraph Co.

Mr. Cornfeld, in seeking high court review, contended that his rights had been violated because information obtained through a tap on his telephone line had been included in the evidence prosecutors used against him.

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