

# JERSEY BELL SAYS IT TAPPED PHONES

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Reports Monitoring a Total  
2.6 Million Calls and Taping  
280,000 in Fraud Hunt

Special to The New York Times

NEWARK, Feb. 24—The New Jersey Bell Telephone Company acknowledged today that it monitored 2.6 million telephone calls in the state between November, 1966, and March, 1970, and recorded 280,000 of those calls as part of its efforts to discover the extent of "electronic toll fraud" by telephone customers.

The company, while noting that such monitoring of private calls had produced 270 convictions nationwide after the American Telephone and Telegraph Company had monitored more than 30 million calls between 1964 and 1970, also said only two of those convictions had taken place in New Jersey.

The admissions came in a 25-page statement presented by Donald J. Stevenson, an assistant vice president of New Jersey Bell, to the State Board of Public Utility Commissioners.

Mr. Stevenson said, "Since March, 1970, New Jersey Bell has continued to pursue the identification of toll fraud through statistical methodology . . ." adding, "in no instance is any recording of voice communication made during this preliminary study."

The official said, "Only when a reasonable suspicion of fraud has been firmly established through the above technique do we engage in the limited recording of the suspected telephone."

The monitoring of the telephone calls by the Bell System was first admitted Feb. 2 when A.T. and T. spokesman said calls were being checked by company units operating in Newark, New York City, Los Angeles, Detroit, Miami and St. Louis.

The New Jersey Bell statement was made today in response to a previous P.U.C. order asking that the company demonstrate clearly that it safeguards the right of privacy in its monitoring of long-distance regulating in New Jersey.

Mr. Stevenson said today the practice of such monitoring to catch persons using illegal electronics devices was "in the electronics devices was 'in the tporebroadnteiphtaadc'ntiublittices was 'in the broad public interest' and that its legality has been upheld 'in numerous court cases.'"

The question of monitoring public calls and the newer practice of leasing so-called "service observing devices" to cor-

pizations by New Jersey Bell were expected to be scrutinized by the utility commissioners at a hearing scheduled for this Friday in Newark.

A P.U.C. official said late today that the commission had in its possession a "still-confidential list" of some 160 companies using the service observing devices to monitor their own employees' telephone calls.

### Complaints Noted

The officials said the commission had received a series of complaints from private individuals charging that their employers had been using the devices "to see if they might be unionizing" or otherwise keeping track of private conversations during company time.

Bell officials emphasized today that the toll-fraud monitoring program between 1966 and 1970, "contained stringent measures to protect privacy of communications," adding, "As a result of the program substantial revenues have been safeguarded, proliferation of fraud deterred, and violators convicted."

Mr. Stevenson also provided the commissioners with a detailed breakdown of who had access to the recorded conversations and how the company went about monitoring the calls at its Newark installation.

Mr. Stevenson said that in New Jersey, the monitoring process resulted in the confiscation of 139 electronic devices used to trick Bell System equipment into putting through long distance calls at no cost to the user. Such devices are generally referred to as black boxes or blue boxes.

Since the disclosures of nationwide monitoring of public phone calls were made earlier this month, several conflicting reports have emerged about precisely who in the Bell System had been aware of the program and how detailed were the kept records.

Last week, during testimony in Washington before the House of Representatives subcommittee on courts, civil liberties and the administration of Justice phone calls monitored during the five-year period.

The testimony, by H. W. William Caming, was the first time a Bell System official had testified under oath about the previously highly secret project.

Mr. Caming told the subcommittee that some 600,000 of the calls across the nation had been tape recorded for their entirety, all for five-minute periods, while the remaining 900,000 or more calls were tape recorded for periods of from 60 to 90 seconds.

New Jersey Bell System witnesses are expected to be questioned during Friday's hearing by officials from the State Public Advocate's office, the newly created cabinet-level governmental ombudsman unit, which has joined the utilities commission in examining the case.