

FAQ: TELEPHONE TOLL FRAUD & YOUR BUSINESS

Business consumers have a great deal more control over their telecommunications services today than ever before. New technologies provide businesses more information and more flexibility in how they use their telecommunications services. Unfortunately, the shift in control has led to an increase in toll fraud by making businesses and telephone companies more susceptible to toll fraud. Teledynamic has prepared this material to answer questions and to provide helpful information and advice on how businesses can avoid and combat toll fraud.

Is My Phone System Safe From Fraud?

No. Businesses may become victims of toll fraud through the remote access features of their telephone equipment. Remote access features allow business employees who are away from the office to call the system. After entering an authorization code, the employee receives a new dial tone for placing an outgoing call. The call will be billed to the outgoing telephone line connected to the system. This feature creates the opportunity for unauthorized users to breach the security of your business phone system.

If I Use An Authorization Code On My system, How Can I Be A Victim?

Unauthorized people may use computers to call a system and test random authorization codes until the correct one is found. Calls then can be made that will be billed to you. If an incoming 800 line has been used, you may be billed for the 800 calls as well.

Can Voice Mail Systems Be Used For Toll Fraud?

Yes. Many voice mail systems have features that provide a link to a phone system remote access feature or that give a caller a dial tone after the main voice mail function has finished. These features can be used to make outgoing calls that will be billed to the voice mail user or system owner. Unauthorized people may attempt to use a voice mail system to arrange third number billing to the telephone number served by the system.

Are Incidents Of Toll Fraud Higher During A Particular Time Of The Year?

Yes. The risk of toll fraud increases during vacation and year-end holiday seasons. Businesses should take exceptional care at these times to avoid additional risks.

What Steps Can Businesses Take To Help Protect Their Systems?

Contact Teledynamic, your local telephone company and your long distance telephone company. They will provide information to help you determine what sorts of security systems are available to protect your equipment and telephone service from toll fraud. They can also provide information about monitoring services that are available to help you quickly detect unusual usage.

Disable or otherwise restrict the remote access, voice mail and other features of your telecommunications system that could allow outgoing calls. This should be done throughout the year, especially on holidays, weekends and at other times when employees will not need them. Consider whether these features will be required at all for business purposes during the holiday season.

Change the passwords and authorization codes used for remote access, voice mail, administrative, and other purposes. Unauthorized people may have already discovered your current passwords and codes. They may be waiting until the holiday season, when staffing is at a low level, to use the passwords and codes for fraudulent calls.

Monitor calling through your telecommunications systems on a regular and frequent basis always, but especially during the holiday season. Frequent monitoring is one of the best ways, at any time of the year, to quickly detect unauthorized calling.

Take steps to secure your authorization codes on a permanent basis. Regularly remind employees of the need to keep codes secure. Remove codes from voice mail bulletin boards; do not write codes on credit card receipts; do not provide codes to unknown callers; and delete all unneeded codes, including default codes installed by the equipment manufacturer.



What Federal Law Enforcement Agencies Can Businesses Contact?

Businesses can contact the Federal Bureau of Investigation (FBI) by writing to that agency at:

7799 Leesburg Pike
South Tower, Suite 200
Falls Church, VA 22043

The FBI and the Electronic Crimes Division of the United States Secret Service jointly investigate telecommunications fraud.

What Is The Telecommunications Industry Doing To Prevent Fraud?

The major telephone companies have established fraud prevention programs and are actively working with their customers to assist them in protecting their telecommunications systems and services from fraud. You should contact your telephone companies for information about specific programs.

Where Can Businesses Get Further Information?

The Communications Fraud Control Association, a non-profit organization, serves as a clearinghouse for consumer information and complaints regarding toll fraud. This association is located at:

1990 M Street, N.W., Suite 508
Washington, D.C. 20036
Telephone: (202) 296-3225

The Alliance to Outfox Phone Fraud, a broad-based group of telecommunications industry and related companies, serves to create public awareness about telephone fraud. The group is located at:

1320 North Courthouse Road
Arlington, VA 22201
Telephone: 1-800-9-OUTFOX)

Does The FCC Handle Toll Fraud Complaints?

Yes. However, you should first attempt to resolve the complaint by calling your local telephone company and the long distance company involved. If you are unsuccessful in your attempts to resolve the complaint, you can send a printed letter in your own words to:

Federal Communications Commission
Consumer & Governmental Affairs Bureau
445 12th Street, S.W.
Washington, D.C. 20554

Your letter should include a copy of the telephone bill or bills listing the disputed charges and the following facts:

- the name and address of the business, your name and telephone number where you can be reached during the business day;
- the name and address of the business' local and long distance telephone companies;
- the names and telephone numbers of the telephone company representatives that you and other employees of the business talked with to try to settle the complaint;
- any other information that you believe would be helpful in processing the complaint; and summary of the facts of your company's complaint.

For general information, you may contact the FCC's Consumer & Governmental Affairs Bureau in the following ways:

via Internet at www.fcc.gov/cgb
Consumer Center, 1-888-CALL-FCC and TTY: 1-888-TELL-FCC