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# CRIMINAL JUSTICE BOOK SUMMARIES

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## Taking Care of Business:

The Economics of Crime by Heroin Abusers

by Bruce D. Johnson et al.

Klip is a heroin user and "cattle rustler." He steals meat from the grocery store, sells it in the neighborhood, and spends the money on drugs. Geraldo commits robberies, burglaries, and muggings to buy his heroin. Kat is a prostitute and shoplifter. She spends her money on heroin.

These are three of the 201 people in Harlem in New York City who were part of the research for *Taking Care of Business: The Economics of Crime by Heroin Abusers*.

Taking care of business—obtaining drugs—is what confirmed heroin abusers spend all their time and effort doing. This study is about the behavior of heroin abusers: their purchase, use, and sale of drugs; their income from criminal and noncriminal sources; their expenditures for legal and illegal purposes; and the economic consequences of their activities.

The findings provide a far more detailed picture of the street-level economics of drug use and crime than has previously been available.

### Major findings

Much of what the authors discovered in Harlem confirms other findings about heroin users and the relationship between heroin and crime:

- Heroin abusers generally use several different substances during one episode of drug use. Almost 90 percent of the subjects in the study reported using cocaine and alcohol as well as heroin.
- Many heroin users also are involved in the drug distribution system on either a full-time or part-time basis. One of the major surprises of the study was that about one-third of the heroin consumed is obtained without cash. Bartering heroin for another good or service is commonplace.
- Heroin abusers commit an array of crimes (robbery, burglary, theft, conning, drug sales), and they do so at high rates. The major impetus for crime is the need to obtain drugs. The average respondent committed more than 825 drug- and nondrug-related offenses per year, or almost 2.2 per

day. About half of these were drug-related offenses; i.e., possession, sale, or distribution of drugs.

- Illegal income-generating activity and consequent involvement with the law drop off dramatically once a person enters treatment but may return to pretreatment levels after treatment ceases.

### Methodology

This project was supported by the National Institute of Drug Abuse, the National Institute of Justice, and the New York State Division of Substance Abuse Services.

The authors established a storefront research center in Harlem and interviewed heroin abusers about their day-to-day drug usage and how they supported themselves. The bulk of the interviews were conducted from 1980 to 1982.

Ex-addicts and ex-offenders served as the project's fieldworkers, recruiting active heroin users for the study and bringing them to the storefront research center.

The respondents were interviewed on 5 consecutive days (for which they received \$50), and then returned for 4 weekly interviews (for which they received \$10 a week), and were interviewed in followup sessions after 3 and 6 months.

Summarized from *Taking Care of Business: The Economics of Crime by Heroin Abusers*. NCJ 97943 by Bruce D. Johnson, Paul J. Goldstein, Edward Preble, James Schmeidler, Douglas S. Lipton, Barry Spunt, and Thomas Miller. With permission from Lexington Books, 1985. 275 pp. including references, tables, appendixes, and index. *Taking Care of Business* is available from Lexington Books, 125 Spring Street, Lexington, MA 02173. Price \$29.00 cloth.

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The study classified users according to their frequency of drug use:

- daily: 6 to 7 days of use per week, 31 percent of all subjects;
- regular: 3 to 5 days of use per week, 39 percent of all subjects;
- irregular: 2 days or less, 30 percent of all subjects.

Three-quarters of the respondents were males. Slightly more than half (55 percent) were black, 14 percent were Hispanic, and 1 percent were white. About 40 percent were under 30 years old. Only 18 percent were over age 40.

### Validity of the interviews

Three major kinds of evidence suggest that the data obtained in the study were generally valid and reliable. First, internal consistency checks were systematically built into the interview questionnaire, and respondents were asked to correct any discrepancies that emerged.

Second, in interviews conducted on several different occasions, subjects reported similar types of crimes and activities.

Third, fieldworkers and professional staff frequently observed respondents engaging in the very kinds of behaviors that they reported in their interviews.

Fourth, occasionally two or more subjects were partners in the same crime and reported very similar stories and amounts of property stolen in separate interviews.

### Heroin lifestyle

Heroin abusers live a chaotic lifestyle that is highly resistant to change. Most abusers exhibit a wide variety of social, medical, and criminal problems.

According to the authors, few entrepreneurs in the American economy possess more drive or incentive to succeed than heroin abusers. Yet for all their skill at hustling, for all the money that passes through their hands, the heroin abuser's life is one of violence, victimization, and near poverty.

The heroin distribution system is central to their chaotic lifestyle. Violence is the most common method of enforcing drug distribution customs. Heroin users are consistently exploited by those who distribute drugs. In turn, they consistently exploit family, friends, suppliers, and others in their efforts to obtain drugs and money.

Drug dealers and distributors routinely victimize customers: they "tap" the bag (i.e., siphon drugs from the bag); they substitute adulterated drugs; they shortchange the customer, or disappear with the money or drugs or both. They also expect the purchaser to share drugs or tip them. The entire structure of the drug business is systematically organized around the mutual exploitation of others with whom one interacts.

Performing the low-level roles of "steering," "touting," and "copping" is the bread and butter of a heroin abuser's drug subsistence.

Steering is directing a potential customer to a dealer, who makes the sale. Touting is locating customers for a particular dealer. Copping is transporting money and drugs between dealer and buyer, who rarely meet. During a single transaction, a user may serve as a steerer, a tout, and then a copman. These middlemen are paid in cash and drugs for these services. (See Vignette 1.)

#### Vignette 1: The drug business

Neville (black male, age 32) was a daily heroin user working for a dealer. Neville was paid \$50 a day by his dealer to hold the drugs, count the money, or cop the drugs. In addition, Neville stole \$20 to \$50 per day of the money he received for the dealer, tapped the bags of drugs for the dealer's customers, consumed the drugs himself, and also bought about \$35 worth of heroin a day from the dealer.

Yet for all the violence and exploitation in the drug distribution system, the authors found that heroin abusers systematically avoid perceiving themselves as victims or victimizers and

avoid seeking treatment or help for their behavior. Like alcoholics, they may recognize their dependence on heroin and other substances, but they deny needing treatment or change in their lives.

The authors found that by almost every criterion a majority of the interviewees were legally impoverished and eligible for government support. But welfare-eligibility requirements, such as a legal residence, filling out forms, and so forth seemed to be beyond their comprehension or ability.

The authors state that the subjects were clearly victims of their own consumption of heroin, cocaine, alcohol, and other drugs. By all objective indicators to outside observers, the lifestyle of daily and regular heroin users bespeaks their loss of control over their drug consumption.

### Income and expenditures

Respondents received income from many sources. Legitimate, noncriminal income from work, welfare, or unemployment averaged \$2,000 per year.

Freeloading was a significant source of income—95 percent of the respondents received free meals; 82 percent received free shelter. The average respondent received about \$1,200 per year worth of free meals, shelter, and "loans."

The total income from all sources for the average user was about \$12,000 per year.

Although heroin users seem to gain cash income and merchandise from their crimes, the authors observed that their drug use absorbed so much income that the result is a life of poverty.

Daily users consume almost \$40 worth of heroin per day (or \$17,000 annually), the regular users consume \$32, and irregular users, \$24. About one-third of the heroin consumed was obtained without cash.

### Heroin and crime

The research revealed that heroin abusers commit a large number of

nondrug-related crimes and an even larger number of drug distribution offenses. Daily heroin users are more criminally active than other heroin users in terms of both the seriousness and frequency of their crimes.

Only nondrug-related crimes that produce economic results were considered in the study. These included robbery, burglary, shoplifting and other larcenies, forgery, conning, prostitution or pimping, fencing, and other illegal acts. The researchers did not ask about crimes against persons such as sexual assault or manslaughter.

The average income per crime was \$35.

The most common crime (other than drug-related crimes) was robbery. In this study, 28 percent of the subjects reported having committed one or more robberies during their reporting period. Most robberies were aimed at lone individuals in public places, especially in hallways of apartment houses, on the street, in parks, and in subways. (See Vignette 2.)

#### Vignette 2: Street robberies

Geraldo (Hispanic male, age 25) reported these activities:

2/25: I mugged this young guy. All he had was \$11.

6/11: With a partner, we snatched a man in the street and took a cassette player, watch, and ring. We sold the articles to various individuals for \$85.

7/1: I snatched a lady in the street by the neck and took her pocketbook. She had \$40 in cash and \$40 in food stamps. I sold the food stamps to a store owner for \$23 cash.

11/7: With a knife I mugged a guy for \$37 in cash, a watch (sold for \$13), and a coat (which I kept for myself).

The most common type of robbery was strong-arm mugging. Persons who were themselves engaging in some sort of deviant activity (e.g.,

pimps, prostitutes, and drug dealers) were victims in 23 percent of the robberies. (See Vignette 3.)

#### Vignette 3: The robber-dealer

Kirby P. (black male, age 32) was a robber-dealer and daily drug user. Except for a 2-year jail term for armed robbery and a brief 1-year stint in a methadone program, he had been a heavy user for more than a decade. He engaged in robberies of drug dealers and drug customers and in nonviolent crimes, such as fencing goods and cashing stolen checks for other criminals. Although Kirby did not call it a death wish, he was aware of the near-suicidal nature of his robbery of drug dealers. There were whole areas in Harlem where Kirby could not go for fear he would be spotted by people in the drug business whom he had robbed.

The average robber had an annual robbery income of \$2,000. But even among robbers, robbery was one of the least frequently committed crimes, generated relatively low return per offense, and provided a small share of the average robber's total criminal income.

Most heroin abusers had been arrested and incarcerated. Of the subjects interviewed, 84 percent reported an arrest; 62 percent reported an incarceration and had served an average of 3 years in jail or prison.

#### Economic effects of heroin crime

The average heroin user in the study earned just under \$8,000 in cash income from crime and an additional \$4,000 as drug income. The authors suggest that heroin abusers contribute very little of value to the licit economy. However, a heroin user's productivity is not lost; it is simply misplaced.

Heroin users are highly effective in producing goods and services that are valuable to the underground economy.

The authors estimated, for example, that the group of people who purchased stolen merchandise over a year's time received a net gain of \$8,200 worth of products with a higher economic value than they could afford.

According to the authors, the economic benefits from crime are significant. The authors estimated that over a year's time heroin abusers stole and illegally sold about 1,000 televisions. Probably fewer than 100 of the new owners of these stolen televisions would have bought a television at the regular retail price. Heroin abusers thus functioned as deep discounters.

Many of the 1,000 victims probably purchased a new television at retail prices. The authors estimated that their purchases averaged \$225,000—purchases that would not have occurred otherwise. The indirect benefits of crime thus are severalfold: manufacturers produce more televisions, their employees gain additional work, new jobs are created, and the government receives additional revenues through income-tax withholding and sales taxes.

#### Policy alternatives

The question of what to do about heroin abusers has perplexed scholars, policymakers, and practitioners for years. While the authors do not have clear answers, they suggest several policy alternatives:

##### 1. Incarcerate all heroin abusers.

The main benefit would be to reflect public concern about the high criminality of heroin users. The major drawback is the lack of jail space and the high cost of incarceration.

The authors suggest that making arrests while heroin is being distributed from "house connections" (i.e., central locations where customers can purchase drugs), would economically bankrupt many of these locations because distributors could not afford to have their business disrupted continually.

However, current jail space is inadequate to hold all of these arrestees, and the economic consequences of doing so would be prohibitive. The

authors note that previous research has calculated the average incarceration cost at \$12,000 annually, excluding the cost of arrest, prosecution, and defense. The economic burden of incarcerating all heroin abusers would be exorbitant.

2. Incarcerate the most serious criminal heroin abusers.

This policy requires that the criminal justice system identify and incapacitate daily heroin users who commit robbery and deal drugs. The main drawback, according to the authors, is that existing criminal justice systems would be hard pressed to identify those persons who are the most serious criminals.

With few exceptions, the criminal justice system does not systematically collect or use information about arrestee drug use in making official processing decisions. Given the data in the study, however, the authors conclude that daily heroin users who are robbers and dealers are leading candidates for special treatment by the criminal justice system. Incarcerating these most active criminals would protect society from extensive criminal and economic impact.

3. Mandatory treatment of convicted heroin abusers.

The authors found that criminality is reduced by 60 to 70 percent while heroin users remain in treatment. Posttreatment criminality is about half that of pretreatment levels. The major drawback of this policy involves apparently large expenditures of government revenues.

All the heroin treatment programs in New York are filled and have waiting lists. The authors estimate that \$90 million would be needed to handle the additional 30,000 persons who would use the treatment resources, even though the annual average cost of treatment in New York is under \$3,000 (\$9,000 for residential treatment programs that aim for totally drug-free clients; \$2,300 for walk-in methadone treatment; and \$2,400 for outpatient drug-free treatment).

#### Further readings

*Heroin, Deviance, and Morality.* NCJ 83220. By C. Lidz and A. Walker. Sage Publications, 275 South Beverly Drive, Beverly Hills, CA 90212. 267 pp.

*The Drugs-Crime Connection.* NCJ 79108-79118. Edited by J. Inciardi. Sage Publications, 275 South Beverly Drive, Beverly Hills, CA 90212. 272 pp.

*Increased Heroin Supply and Decreased Federal Funds: Impact on Enforcement, Prevention, and Treatment.* NCJ 82216. A Report of the Select Committee on Narcotics Abuse and Control, 96th Congress. 76 pp.

"The Role of Alcohol in the Crimes of Active Heroin Users." NCJ 95923. By D. Strug et al. In *Crime and Delinquency*, vol. 30, no. 4, October 1984, pp. 551-567.

The authors estimate further that this cost is quite low compared with correctional costs, which when adding arrest, prosecution, and defense costs would average more than \$30,000 per inmate the first year.

An additional drawback to a massive expansion of treatment programs may be that neighborhoods would not welcome centers for heroin users; treatment programs may not want difficult-to-treat, criminally active persons as clients; and critics may protest expanded treatment on the grounds that treatment can be effective only when the client seeks it.

4. Provide incentives to reform lifestyles.

This policy would have the benefit of doing what is best for the heroin user by providing new financial incentives to change lifestyles toward a more conventional activity and by attempting to reduce self-victimizing behavior. The authors suggest that appropriate funding could be provided so that each client, especially those without legal income, could be enrolled in and routinely receive appropriate welfare payments. Again, the major drawbacks are financial.

5. Maintain the status quo.

The authors believe this policy will be the one that is followed because it is unlikely that political support for the preceding policy alternatives will develop. The most appealing feature of the status-quo option is that it will not involve significantly more money from tax revenues.

#### Sources on this topic

National Clearinghouse for Drug Abuse Information  
5600 Fishers Lane, Room 10A-53  
Rockville, MD 20857  
(301) 443-6500

The Clearinghouse is operated by the Public Health Service and collects, stores, and disseminates scientific and general information on drug abuse.

Narcotics Education  
6830 Laurel St. NW.  
Washington, DC 20012  
Promotes nationwide education for the prevention of drug addiction and alcoholism.

International Narcotic Enforcement Officers Association  
112 State Street, Suite 1310  
Albany, NY 12207  
Fosters mutual interest in the problems of narcotic control and provides a medium for the exchange of ideas for all who engage in the field of narcotic control.