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Research paper

Drug dealers' rational choices on which customers to rip-off☆

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ABSTRACT

Background: Drug dealers are infamous for overcharging customers and handing over less than owed. One reason rip-offs frequently occur is blackmarket participants have limited access to formal means of dispute resolution and, as such, are attractive prey. Yet drug dealers do not cheat every customer. Though this is implicitly understood in the literature, sparse theoretical attention has been given to which customers are ripped-off and why.
Methods: To address that lacuna, this paper uses the rationality perspective to analyze qualitative data obtained in interviews with 25 unincarcerated drug sellers operating in disadvantaged neighborhoods of St. Louis, Missouri.
Results: We find that dealers typically rip-off six types of customers: persons who are strangers, first-time or irregular customers; do not have sufficient money on hand to make a purchase; are uninformed about going market rates; are deemed unlikely to retaliate; are offensive; or are addicted to drugs. Dealers target these groups due to perceiving them as unlikely to be repeat business; not worth the hassle of doing business with; unlikely to realize they are being ripped-off; in the wrong and thus deserving of payback; and, unwilling to retaliate or take their money elsewhere.
Conclusion: Our findings are discussed in relation to their practical implications, including the importance of giving blackmarket participants greater access to law, and how customers may prevent being ripped-off.

Introduction

Illicit drug dealers are notorious for ripping-off their clients (Jacobs, 1998, 1999). This is partly attributable to the fact that they operate in a blackmarket beyond the reach of government regulation and mediation. When swindled or otherwise treated unfairly, a complainant has little or no access to formal means of dispute resolution (Goldstein, 1985; Reuter, 2009). However, sellers do not take advantage of every buyer; some get a fair deal or better, whereas others are defrauded or charged more than the going market rate. So who do dealers rip-off and why? This paper addresses that question by using the rationality perspective to analyze qualitative data obtained in interviews with 25 unincarcerated drug sellers. Toward that end, first we describe our theoretical framework, prior research on the topic, as well as our method and data. Then we present our findings, and conclude by discussing their scholarly and practical implications.

Rationality and drug market rip-offs

One of the earliest proponents of the rationality perspective is Bentham (1988 [1789]). In a series of works, best known of which is *The Principles of Morals and Legislation*, he outlined the causes and consequences of rational decision making, especially as it pertains to crime and control. His propositions are as elegant as they are numerous, but can be summarized as follows: the utility of an action is the amount of pleasure minus pain it brings; people seek to maximize pleasure and minimize pain; thus, when choosing how to act, a person selects the option with the greatest perceived utility.

A progeny of the Benthamian legacy is Clarke and Cornish's (1985) rational choice framework. A key feature of this contemporary approach is that it encompasses lessons from a variety of fields, including economics, psychology, and sociology. People are not thought of as making perfect decisions (the view of traditional economics), but instead as making "bounded decisions" influenced by such things as culture, social structure, emotions, and imperfect information (Topalli & Wright, 2013). Thus, people do not always

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make the "best" choice, though their decisions are guided by concerns for obtaining pleasure and avoiding pain.

Drug dealers choose to rip-off buyers because it maximizes their profits. In this paper, we use the term "rip-off" to cover two actions. One type of rip-off is fraud, defined as an instance in which a seller gives less than promised in exchange for a particular price (Jacques & Wright, 2008). This can involve quantity or quality. A dealer, for instance, defrauds a customer by providing 3 g of cannabis despite agreeing to 3.5, or by handing over mid-grade cannabis when it is supposed to be high-grade. The second type of rip-off is selling at an atypically high price. This is not technically fraud (ibid.), but nonetheless may cause a customer to feel unjustifiably taken advantage of (see Chalmers & Bradford, 2013; Hoffer, 2006), assuming they realize this has occurred – a distinction we return to in the findings section. An example is a seller who charges a customer $100 for a gram of cocaine despite usually charging half that price. In short, then, a rip-off refers to defrauding or overcharging a customer, and it is rational for sellers to engage in this practice because it increases their profit margin.

The literature on illicit drug trade paints rip-offs as a common occurrence (see, e.g., Jacobs, 1999; Williams, 1989). As noted above, a major reason for this is that blackmarket exchanges are unregulated by the government. As such, there is no official body that sets or enforces price limits and punishes unfair or predatory business practices. Thus when defrauded or discriminatorily overcharged, drug buyers are unable to make a police report or to file a civil claim (Reuter, 2009). Dealers are well aware of this and take advantage of it, as rip-offs are more rational to the extent they are less likely to be formally punished (see also Jacobs, 2000; Wright & Decker, 1994, 1997). As one of the sellers we interviewed put it, "I mean what you gonna do? What, you gonna go up to the police and say, 'Hey man, he skeeted me out of an ounce'? Hell no." Such perceptions – combined with the disposition to maximize benefits – give dealers reason to defraud and overcharge customers.

The theory expounded above amounts to a macro-level or contextual explanation of illicit drug market rip-offs. In other words, it sheds light on why illicit drug sellers are more prone to scam customers than are licit sellers of, say, alcohol or cigarettes. Despite its merits, however, that theory is incapable of explaining why dealers treat some customers fairly but rip-off others.

What explains which customers are treated unfairly by dealers? Though there are anecdotal examples in the literature, very little theoretical attention has been focused on this question. Instead, studies on drug market rip-offs have focused on three areas. One is to look at rip-offs generally by dealers operating in a specific market or locale (e.g., middle-class suppliers in California or urban disadvantaged dealers in St. Louis, see respectively, Adler, 1993; Jacobs, 1999), including how they are affected by law enforcement interventions (see, e.g., Aitken, Moore, Higgs, Kelsall, & Kerger, 2002; Maher & Dixon, 1999). Another line of inquiry examines how drug traders avoid becoming the *victim* of rip-offs when making stock purchases; their methods of preventing victimization include, among others, only trading with trusted individuals and using a digital scale to weigh the product (see, e.g., Jacques & Reynald, 2012; Zaitch, 2002). The third area of research delves into how drug traders react to being ripped-off; their responses include everything from violent retaliation to negotiation, avoidance, and toleration (Bourgois, 2003; Jacobs & Wright, 2006; Jacques & Wright, 2008, 2011; Taylor, 2007). While all of these investigations are valuable in their own right, their focus is such that they shed little light on who exactly dealers direct their unfair sales practices towards and why this is so.

Perhaps surprisingly, there appears to be more known about why sellers do not rip-off customers and who they treat preferentially (i.e., give relatively low prices, more quantity, or better quality) than why they rip-off particular individuals. Dealers, for instance, are known sometimes to avoid engaging in predatory behavior because it is potentially bad for business or may result in retaliation (Adler, 1993; Bourgois, 2003; Jacobs, 1999), and also to give customers more than owed – or "the hook up" – because it builds customer loyalty and thereby earns repeat business (Coomber, 2003; Jacobs, 1999). Those studies hint at the answer to our research question, but they do not explicitly address it.

After describing our method and data, we draw on sellers' own words to demonstrate the rational calculation behind choosing which customers to cheat.

Method and data

This paper draws on interviews conducted in 2006 with 25 unincarcerated drug dealers residing in disadvantaged urban neighborhoods. At the time of the interviews, all of the participants were actively dealing drugs or had done so within the previous two years. The interviews, which typically lasted about an hour, were semi-structured to provide some consistency in terms of the topics discussed while still permitting other matters to be introduced. Questions asked of the participants included, "Who, if anyone, do you charge a higher price than normal? Give less quantity or lower quality to than they pay for?" For each answer, participants were probed for details, including how the events unfolded and the thinking behind their actions.

The sample was recruited by a tried and trusted project fieldworker, who himself is a former offender. He worked through chains of street referrals to solicit introductions to drug dealers, and then built on these introductions to initiate further contacts. Recruitment is the most dangerous and difficult component of this sort of research. Recognizing this, the fieldworker was compensated $75 per successful recruit; participants received $50 for an interview.

All of these drug dealers were African-American, and six of the 25 were female. Five had attended college, but none had graduated; of the remaining 20, eight had graduated from high school. The age of the sample clustered around 30 years old. Criminal justice involvement was commonplace for this group; virtually all of the dealers had arrest records. Many of these dealers sold crack cocaine or heroin, a few traded in cannabis only; other drugs were also mentioned by a few, including ecstasy and PCP. The sample is composed largely of retail dealers (e.g., persons selling a few grams at a time), with some low-level suppliers – or "middle-men" – also being interviewed (e.g., persons selling a few ounces or pounds at a time). Sellers often sold drugs openly on the street, which was especially true for retail sellers; inside residences, be it their own or someone else's; and would drive or take public transportation to make sales in the car parks of public businesses, such as fast-food restaurants and discount outlets.

The participants reside and ply their trade in disadvantaged neighborhoods in St. Louis, Missouri, which as of 2010 had a population of about 320,000 that is predominantly black (U.S. Census Bureau, 2012). Around the time of our study, St. Louis was ranked as the United States' most dangerous city (Morgan & Morgan, 2007; but see Rosenfeld & Lauritsen, 2008). The neighborhoods from which our participants were recruited are not only are extremely poor, but also have high rates of unemployment, low rates of educational attainment, large numbers of single parent households, and widespread substance use.

As with any interview-based study, some participants may have lied or distorted their accounts to impress or mislead us. To minimize this possibility, interviewees were promised confidentially and informed of their rights as research participants via a consent form read to them at the start of the interview. Inconsistent comments were probed to try to reconcile any seeming inconsistencies.

Interviews were tape-recorded and transcribed verbatim. The resulting transcripts were coded with identification tags corresponding to relevant research issues. The initial tags that we devised were broad and focused on the issues of primary interest. Then we sifted through the data categories and engaged in detailed analysis of variance across cases; we read through the broader categories and, for each issue, created narrower ones in order to capture subtler distinctions recognized by the dealers themselves as being important (see Glasser and Strauss, 1967). All names in the quotes below are pseudonyms; to specify participants' gender, each pseudonym is accompanied with an '*m*' if male or '*f*' if female.

Dealers' rational decisions on which customers to rip-off

Recall that rip-offs come in two broad forms, one of which involves charging a customer more than typical. Technically, a sale is fair when the terms of agreement are outlined and upheld by the buyer and seller; as the old adage goes, "It's worth what you can get for it." But when a dealer inflates the price for a customer, the precarious balance between a fair trade and rip-off shifts toward the latter (see Chalmers & Bradford, 2013; Hoffer, 2006). As one dealer, Beauty (*f*), told us, "[With some people I] give them a little smile and say that's 20 or 30 dollars [for a $10 bag of weed]." Another dealer, Game (*m*), recounted a specific story: "[There is] this older guy I know. . . . [H]e'd spend like 200 with me and I gave him like 100 dollars worth."

Other exchanges do not walk the line between fair and fraudulent, but clearly step over to the latter side. Fraud, recall, is a broken promise about the agreed trade terms. The following seller described her motive for short-changing some customers:

> **Destiny** (*f*): I got some [customers] that I skeet [i.e., short]. . . . What I do is I open up the bags and take some out and make another bag. That's how I make my extra money. . . . See you got some people that just take what you give them.

Sellers also cheat customers by selling the agreed amount but providing an unreasonably low quality product, which may be partially or wholly counterfeit. Diamond (*f*) told us: "Might put a little dirt in the [cannabis] bag; that's how it is." In referring to his customers, Dirty (*m*), a crack-cocaine seller, said, "I ganked them a lot. There were plenty of times I sold them bread or just yellow [wax] and they thought it was real but when they tried to smoke it they realized it's not real."

While acknowledging that rationality is culturally constructed, it is clear that sellers have economic reasons for preying on their customers. Obviously, charging more or providing less quantity or quality is prudent, all else equal. The question for this paper is what factors do dealers consider in choosing which customers to rip-off? Based on our analysis of the data, we identified six types of customers that were commonly overcharged or defrauded by our participants. Below, we examine the rational thought process behind these sellers' decisions to rip-off each kind of buyer.

First-time, irregular and stranger customers

Repeat customers are highly prized by urban dealers. In part, at least, this is because "regulars" represent a source of stability and predictability in an otherwise chaotic market (Jacobs, 1999). Though it would be beneficial in the short-term to rip-off these persons, it could ultimately prove irrational if those persons take their business elsewhere in response to not getting a fair deal (Adler, 1993). Recognizing the benefits of long-term relationships, dealers often are willing to trade fairly with this group of clients. But with first-time or irregular customers, especially those who are strangers, the odds of them coming back are difficult to calculate. Thus "blessing" such customers with a good – or even fair – deal is seen by many sellers as too costly. Therefore these individuals are liable to being ripped-off:

> **Balla** (*m*): Well it's always on my mind. If you're not spending money with me then I don't like you that much. It is truly this. So when you come to me and because you don't spend with me a lot you're not gonna get as much as the motherfucker that's gonna spend with me. In the weight it's big time short; probably give you half of what you're paying for. They get mad about it. I'm sure they get all mad. But when you deal with the reality they want their dope and this is gonna be the bottom line. They gonna pay.

Strangers are not only potentially less beneficial, but also riskier to transact business with. They may be predators trying to rob the dealer or, alternatively, law enforcement officials or snitches attempting to obtain evidence of criminal wrongdoing (Jacobs, 1996, 1999; Natapoff, 2009). Based on a risk-reward calculation, then, the price strangers pay – fair or not – for drugs should be relatively high. In other words, higher costs offset the enhanced risks:

> **Boosie** (*m*): It depends on who you dealing with. I'm like ten years in this shit. I deal with persons I've been dealing with for years. . . . This is my neighborhood. If I don't know the dude then some motherfucker will 'cause we all come from the same neighborhood, brought up on the same project. . . . Somebody I just met and I ain't dealt with before, well I may short them once but they all understand this is what happens man if somebody comes just once a year. If somebody new comes you have to watch it [because they may be up to no good]. Somebody you don't know you short change. For people that I know and they say they need this and such a thing, then I ain't gonna short them.

Customers who "come short"

Being known to the dealer does not always insulate a customer from rip-offs. Ironically, the customers who can least afford – or least willing – to pay more are given a less favorable rate of exchange. Those who consistently "come short," that is, ask for more drugs than they have money to purchase, frequently are penalized for doing so. This sanction is a way for dealers to offset the subjective cost of what they often find to be aggravating negotiations with and pleas from customers. As one dealer detailed:

> **Eazy** (*m*): The people that I really don't like—that always come short. . .—I rip-off. Then you have the ones that come with the correct money all the time and come straight with me all the time, so they'll be the ones that I'll be like, "Here man", and give them the whole [of] what they're paying for.

Furthermore, dealers use rip-offs to motivate buyers to bring the full payment price rather than hassle for a better bargain. This was explained to us by another seller:

> **Big Mike** (*m*): There's one lady customer that I got. She won't always come with the whole amount so she gets less. If she wants 50 she'll come with like 35. So she gets the short end of the stick. I give her a 30. If you sell a 50 they get the whole piece. She knows [she's getting ripped off] 'cause she knows she always comes short. If she comes with the whole full amount

it can be something different. She says, "This is too small." So I say, "Well you come with the short end of the change."

Uninformed customers

Not all regular customers who come with the required amount of cash are treated fairly. This is because some dealers rip-off clients who do not know what is fair in the first place. Such customers get overcharged, under-weighed, and sold subpar quality without even knowing it. As Reapa (*m*) said, "A few, they don't know you're getting over on them. So they like it and they're content with it so that's why I do it." OG echoed his sentiments:

OG (*m*): They just didn't know the cost of it. Just ignorant one way or the other. You get that all the time – people who are just ignorant to the fact of how things go and they are the people that you get over on. That's a money maker. They really don't know the mathematics of it. Say they're only supposed to get 1.25 g and you only give them a gram. You basically giving them half of what they supposed to get and they don't even know. That's how you make more money.

Drug dealers often test customers' knowledge by giving them less than they deserve and seeing what happens. If customers balk they are less apt to be cheated subsequently. Buyers who say nothing invite predation in the future:

Eazy (*m*): I will bust their heads a little bit. [A] guy named Joe [for instance]. When he buys a gram for $200 it will only be like about five and a half or six [tenths of a gram] – about 60 or 70 dollars [worth]. [And] this lady called Betty. She bought like a half a gram and this is supposed to be five tenths, and I give her like two and a half [tenths]. Like most people when I give it to them they look at it, "You sure this is right?" I say, "Yeah." Then I'll break something else off and put it with it in the bag.

The value of testing customers like this is threefold. First, the dealer nets extra cash through the transaction by withholding a portion of what is owed or by charging more than normal. Second, the dealer can determine whether a potential repeat customer knows right from wrong and thus can be taken advantage of without incident. Third, if the customer balks at the quantity, quality, or price, the dealer has the option of rectifying the problem to avoid losing a potential regular customer. For instance, Eazy (*m*), who was quoted above, would provide extra quantity to customers who had the cultural wherewithal to question whether the initial amount is correct. But to provide fair deals from the start can be irrational, as customers who are unaware that they are being cheated – or that a better price exists elsewhere – may not be dissatisfied and so continue to patronize the dealer regularly:

Dirty (*m*): I gave worse deals to more young people 'cause they didn't know anything. I had this one young guy who gave me $10 but I gave him like $5 worth of weed. He didn't have no problem. He kept coming back; he didn't even know.

Disgruntled customers could do more than take their business elsewhere or complain. Violent retaliation is a real concern for many drug dealers, especially those operating in urban, disadvantaged communities (see, e.g., Anderson, 1999; Bourgois, 2003; Levitt & Venkatesh, 2000). Drug buyers who are ripped-off sometimes get even by attacking the victimizer (see, e.g., Jacobs & Wright, 2006, 2008; Taylor, 2007). But when customers do not know that they are being taken advantage of, they have no reason to take their business elsewhere, complain, or retaliate. This means that all the benefits of fraud are present with none of the potential costs. Not surprisingly, then, such customers are especially vulnerable to being cheated:

Rollin (*m*): I get over on them. Like one dope fiend, Saturday night he'd come and buy a gram and I'd charge him $150 for 1 gram. In fact I'm giving him a half a gram and half a gram costs $75. So I'll be getting a free $75 and then I can sell my other half a gram for $75, so that's a free $75. He's not suspicious at all.

A final possibility to consider is that customers who are initially ignorant may eventually wise up. Dealers expressed little concern about this happening, but instead focused on the more immediate benefits. Pusher nicely describes the present-fixated orientation that motivates rip-offs of so-called "stupid" buyers:

Pusher (*m*): People like that [who don't know about weights and prices], I short them all the time but they don't know the weight. They don't know what they're supposed to be getting. They just give you money and you give them the product. I short people like that all the time. If you don't know the weight, I ain't gonna tell you the weight. [Like] this [one] stupid dude. He is so fucking stupid. He so stupid he don't know the weight or the value of what he gets. Man I do that to him all the time. He's stupid. He comes with a fat bag of money. You get to add 3 or 4 stones to that bag but he's stupid, he don't know so I ain't gonna tell him. I'm gonna keep using his dumb ass like that until he finally runs out of the fucking door. When he finds out it will be too late. I like dealing with him 'cause he's dumb.

Soft targets

Tying back to the previous subsection, another sort of customer that is inordinately vulnerable to being taken advantage of by dealers is one deemed unwilling or unable to do much about the mistreatment. Juice (*m*) puts it bluntly, "Some customers just take what you give them." Notwithstanding the fact that the code of the street dictates that you be prepared to stand your ground (Anderson, 1999; see also Bourgois, 2003; Jacobs & Wright, 2006), some buyers nevertheless are afraid to challenge dealers who cheat them. Smooth (*m*) told us: "Give them some skeet shit and they'll never say nothing about it. I see people getting fucked all the time and just never say nothing. Guess they're just too scared to say it. Yeah, that's what it is." A third dealer recounted an incident involving "rocks":

Smokin (*m*): See I'm from the North. I used to go to the South and I was on the South one night and there was a white dude working in one of the little factories. Come up and was like, "Hey man", and gave me $40. I told him to walk down, keep on walking down and I'd be back up. I picked up some rocks off the ground and said, "Here." He's like, "No man, this is bullshit, don't do me like this!" He gave me it back and never chased me or shit, so I was cool that time. He was well fucked over, it was easy. He was tripping. [I've done that] a million times! I gank people like a motherfucker.

In the above cases, dealers perceive the buyers in question to be aware that they are being cheated but "too scared" to do much about it; at most, they just complained. For whatever reason, these sellers were not worried about losing repeat business, but instead focused on the immediate profits to be had. As they perceived it, these rip-offs were rational because the extra money was largely risk free.

Wrongdoers

Not all rip-offs perpetuated by drug dealers against their customers are motivated solely – or even principally – by monetary considerations. Some seemingly predatory events are in fact retaliatory, meant not so much to maximize profit but rather to exact a measure of justice. Instead of violently retaliating against an offensive customer, a dealer may get even by under-weighing or overcharging them. In the quote below, one dealer describes just such a case:

> **Lil Homie** (*m*): When you give them a better price and they complain about the price, what you do is go to the heavy bag thing. They thinking you giving them 14 grams whereas you're giving them more like 10 grams 'cause the bag will weigh a few grams by itself. I had one dude who was always complaining about the price man. He used to piss me off. He thought he was getting 14 grams when he was really getting like 8 grams 'cause I had double charged on him. And I turned 'round and charged him double because I told him the prices went up. Pissed him off. [Later] he was like, "Man you know that price weren't right man, cause you know that was way off man. You gave me 8 grams man when you know I paid for 14 grams. You gonna make up for the rest?" "I gave you what it weighed out at. So for the rest of the grams well I don't know. Way you talk man, you always complaining about the prices." . . . He just stopped dealing with me.

Initially this dealer had treated his customer fairly. But when the customer repeatedly complained that he was being cheated, the dealer took umbrage and decided to get even by doing precisely what he was being accused of. Although he doubled his profits in the process, it is clear that morality guided his actions. After all, getting revenge cost him a regular customer.

Addicts

Probably the group of customers most likely to be cheated by dealers consists of desperate addicts. One reason sellers swindle this group is they are perceived widely as being predatory pariahs (see also Anderson, 1990); in a sense, ripping-them off is a way of retaliating on behalf of the community. As one dealer explained:

> **Big Mike** (*m*): If you gonna work and you got a job then you working to supply your habit I won't call you no crack head, you just got a drug problem. But when you out there and you got to rob and steal and all of that shit stuff that's a crack head—I treat them differently. Sometimes I give them less [than what they deserve].

Sellers regard drug addicts as being the lowest of the low in the street drug underworld (see also Copes, Hochstetler, & Williams, 2008). One dealer we interviewed observed that "geekers," as they were called, are so desperate for drugs that they will do almost anything for them, including tolerate being cheated:

> **Killa** (*m*): I treat the geekers different. . . . The geekers I got to short them 'cause they go all out for it, just for their crack. . . . I can have a shit and get them to wipe my ass 'cause they're crackheads, they wiping my ass. Most of the niggers, they get regular deals. But the geekers, I undercut them. I've given [those] motherfuckers like 20 or 30 dollars [worth] when they come up with 50 dollars. Done that plenty of times 'cause they don't care. They get the shit and they're off. They get their shit and they go. They don't care how much money.

Dealers recognize that addicts' pressing need for drugs puts them in a weak bargaining position even in the face of the most blatant mistreatment:

> **Angel** (*f*): Three o'clock in the morning, time when they [crack heads] want a dove, I'll break it in half. They can't do anything. They got eyes, they can see, but what are they gonna do? This is night time, this is what I have to offer, if you want to get it then get it, otherwise somebody else will come.

Desperate for drugs, addicts make prime targets for rip-offs, despite the fact that as regular customers they are well aware of the going street price and how much quantity they are owed. Their immediate craving prohibits them from holding out for the best deal. This combined with the perception that they are unlikely to put up much of a fight led dealers to treat them unfairly.

Discussion and conclusion

Dealers are known for predatory business practices (Jacobs, 1999). One reason for this is that blackmarket disputes over drug price, quantity, and quality cannot be settled by the government (Reuter, 2009). In this "virtual anarchy" (Cooney, 1998), rip-offs are rational because they confer higher earnings but are unlikely to be formally punished. Not every customer, however, is overcharged or given less quantity or quality than owed. After all, dealers are like other businesspersons in that they have a concern for repeat business, which can be lost if customers feel they are not being treated fairly (Adler, 1993). And somewhat unlike licit purveyors, illicit drug sellers – especially when operating in a violent context – have to decide whether extra money is worth the risk of being retaliated against (Jacobs, 1999). So who, then, do dealers rip-off and why?

Drawing on an analysis of rip-offs described and explained by a sample of unincarcerated drug sellers, we detailed who and why – from a rationality perspective – six types of people often end up overcharged, under-weighed, or given subpar quality. These six categories of individuals include persons who are strangers, first-time or irregular customers; do not have sufficient money on hand to make a purchase; are uninformed about going market rates; are deemed unlikely to retaliate; are offensive; or are addicted to drugs. Dealers described ripping-off these groups due to perceiving them as unlikely to be repeat business; not worth the hassle of doing business with; unlikely to realize they are being ripped-off; in the wrong and thus deserving of payback; and, unwilling to retaliate or take their money elsewhere.

Future research may build on the present study in a number of ways. One strategy would be to use a larger data set to test hypotheses derived from this paper's theory. Statistically speaking, do the odds of a dealer ripping-off a customer vary directly with the act's perceived benefits and inversely with its potential risks? Additionally, research could explore the generalizability of our findings. For instance, are drug sellers from other locales or of different socio-economic statuses also more likely to rip-off strangers and uninformed buyers? Hopefully, however, future studies will not simply replicate or test our ideas; better yet would be to elaborate and refine them. What other factors may shape dealers' choices regarding who to treat unfairly? And how are these influences affected by everything from sellers' personal traits to market characteristics and neighborhood culture?

The practical implications of our findings are potentially complex, but here we will be concise. First, we echo other researchers who argue that the unintended negative consequences of strict and punitive drug prohibition and enforcement likely outweigh its benefits (see, e.g., Bourgois & Schonberg, 2009; Kleiman, 2009; Werb et al., 2011). Among these costs are increased exposure to rip-offs (Aitken et al., 2002; Maher & Dixon, 1999), and any concomitant retaliation flowing therefrom (Goldstein, Brownstein, Ryan, & Bellucci, 1997). At a minimum the U.S., among other countries, should institute a harm reduction approach to drug use and distribution. One possibility would be to give blackmarket participants greater access to law (see Rosenfeld, Jacobs, & Wright, 2003). Though it may seem unlikely, there is nothing to stop police, at least, from settling disputes between illicit drug traders; to a degree this already happens (see, e.g., Copes, Brunson, Forsyth, & White, 2011; Jacques & Wright, 2013). Certainly that is preferable to victims taking the law into their own hands; dealers, after all, do not always make the right choice regarding who can be taken advantage of with impunity (see, e.g., Anderson, 1999; Jacobs & Wright, 2006). The details of how to make government officials more involved in the underworld is beyond the present paper's scope, but suffice to say that if illicit dealers are rational decision makers then they should engage in less predatory behavior as it becomes subject to greater formal control.

In the end, we should be cognizant that rip-offs are not confined to blackmarket trade. Legal companies and salespersons from Wall Street to Main Street engage in their own brand of deceptive business practices (Blumberg, 1989). Thus even if all drugs were legalized, drug market rip-offs are unlikely ever to be fully eliminated. Given this, perhaps the most practical course of action is to inform drug buyers – and other sorts of customers – about how to protect themselves from being overcharged or receiving less than they paid for (see also Jacques & Reynald, 2012; Latkin, Yang, Tobin, & German, 2013). Based on our findings, we offer the following eight pieces of advice to consumers: (1) Portray yourself to the seller as likely to make further purchases if satisfied. (2) Buy from the same seller on a regular basis. (3) Become acquainted with the seller to the greatest degree possible. (4) Bring the dollar amount specified by the seller. (5) Be informed about the going market rate: price per unit of a particular grade. (6) Do not offend the seller. (7) Present yourself as willing to take your business elsewhere, complain, or retaliate. (8) Do not be an addict.

Conflict of interest statement

The authors declare no conflict of interest.

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