In an important discovery in the battle against the United States' growing drug epidemic, a Michigan State University economist has found the Carolinas could be a hotspot for the trafficking and production of the drug Ecstasy.

Siddharth Chandra, director of MSU's Asian Studies Center, has
developed a methodology based on the wholesale prices of Ecstasy in 59 cities, identifying probable city-to-city links for the transit of the drug. He used data published by the National Drug Intelligence Center of the U.S. Department of Justice from 2002 to 2011, which field intelligence officers and local, regional and federal law enforcement sources collected through drug arrests and investigations.

"NDIC hasn't highlighted the Carolinas as an area of activity but our price data suggest there's a lot going on there," he said. "Prices are probably one of the most important economic phenomena because they carry information about the movement of goods."

Never before implemented to study drug-trafficking patterns, Chandra's methodology is simple. Drugs are inferred to flow from the city with the lower price to the city with the higher price. If cities are connected as source and destination cities, drug prices will move in lockstep, growing more expensive as they leave cities of origin.

Other key findings:

- Canada has become a major exporting country of Ecstasy into the United States.
- Cities close to the U.S.-Canada border, such as Seattle, Detroit and Portland, have become major Ecstasy gateways and distribution centers.
- Clusters of cities with lower prices can be found along the entire West Coast, in the Central Rockies and in the Great Lakes region – areas in which there are major interstate highways connected to Canada.
- The price of Ecstasy increases as it travels inland from the west and east coasts and the Canadian border.
- Chandra said his method could be used to inform drug policy and enforcement efforts and plans to allocate resources for treatment.
It can easily be applied to the trafficking of other drugs, such as cocaine, heroin and methamphetamine.

"While prices can be used to confirm some of what we already know and suspect, there are instances in which they can tell you things that perhaps you weren't thinking about," he said. "The more information you bring to bear on a problem, the more facets of that problem you get to see."

Chandra's study is published in the journal *Global Crime*.


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