

## Doing Business in a Box

Many donors to USAgain think they're giving to the poor, but the firm sells the clothes that it collects

The Byzantine drop-off rules at Goodwill or the Salvation Army can stymie would-be donors who want to clear their closets of ill-fitting, outdated or frayed clothes. Donation times are often limited to just a few hours on designated weekdays. But there is an alternative: the brightly coloured drop boxes that are popping up outside grocery stores and gas stations in nine major cities across the country. The 1,400-odd USAgain bins collected 8 million lbs. of clothing last year. LET YOUR USED CLOTHES GET A SECOND LIFE, reads a sign on these chequered boxes, all of which are emblazoned with an American flag as well as a triangular recycling logo. But only some of the bins reveal a key detail: USAgain (pronounced "use again") is not a charity but "a clothing recycling business" that sells the bulk of these donated items to Third World countries.

There's a huge market for second-hand clothing overseas, particularly in sub-Saharan Africa, where few can afford to buy new clothes. And it's no secret that nonprofits like the Salvation Army fund their aid programs by selling donated goods to exporters. But USAgain is the first unabashed--albeit vaguely labelled--for-profit firm to establish a nation-wide presence in the U.S. The **company**, based in Elgin, Ill., is teaming up with recycling contractors in cities like St. Paul, Minn., where residents can leave bags of clothing on the curb alongside paper and plastics. But some towns have sent USAgain packing. "This wasn't about goodwill for the community," says Frank Bergman, mayor of Cahokia, Ill. "This was about making money." USAgain claims it has never presented itself as a charity. "We communicate at the boxes that this is a **company**," says Poul Jorgensen, who heads the firm's operations in Atlanta, Dallas and New York City. But that communication is often solely through the tiny ". Com" in the Web address.

USAgain's **success** can be largely attributed to careless altruism. Donors like doing good deeds but aren't big on due diligence. Most don't realise USAgain operates for profit--at least not until they try to get a receipt for tax purposes--and business owners who agree to host the boxes are often just as clueless. "Never, never did they mention they were making money off of it," says Kathleen Murtz, who accepted a request from the **company** to place a bin outside her home-decor boutique in Lake Zurich, Ill. "If I had known they were going to sell the clothing for profit, I wouldn't have gotten involved."

USAgain often lets money do the talking. The four-year-old **company**, which plans to enter Philadelphia this fall, partners with dozens of schools and churches, that are paid \$20 to \$40 per ton of clothing collected, which USAgain sells for a few hundred bucks. "We don't have to sell wrapping paper anymore," says Jane Ruidl, principal of Seattle's Perkins School, which raked in five tons of clothes last summer alone. "We just have the box out there."

Goodwill and the Salvation Army have shied away from clothing-collection bins in part because the contents often get contaminated by dirty diapers, dog droppings and other unwanted donations. As higher gas prices force nonprofits to cut back on home pickups, USAgain is filling a niche. "We have to empty some of the boxes every day," says CEO

Mattias Wallander, 33. "And we're not competing with anyone," Jorgensen says, "because there's so much being thrown out."

Indeed, major nonprofits have not reported any decrease in clothing drop-offs. "But we want people to think as much about their clothing donations as their cash donations," says Goodwill's marketing chief, Dave Barringer. Nonprofits have to report where their money goes. Private **companies** don't. And potential donors who balk at USAgain's for-profit status may be even less pleased to know that the firm is run by Scandinavians associated with a secular cult whose leaders are on trial in Denmark for tax fraud and embezzlement. No USAgain executives have been accused of any wrongdoing, and Wallander says of the cult, "That has nothing to do with how I run this business." But knowing that it is a business might influence where donors drop off their clothes.

MAP: Where the Bins Are: There are about 1,400 USAgain collection boxes clustered in major cities

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