

Tech firm helps virtual card payment service



Steve Mains

By John Shulson Correspondent

A Williamsburg financial technology firm is leveraging its background in government services to help Washington state-based Haploos grow its virtual card payment services across the country.

TechMIS, with headquarters in Florida, was established in 2000 as a defense analytics company.

CEO Steven Mains joined as a partner in 2010 working from Williamsburg.

Haploos started in 2008 with Josh Arriola as CEO and grew into a robust consulting firm largely providing services to oil and gas companies, among them BP.

A meeting of the East Coast and West Coast firms at a Department of Veterans Affairs conference sparked a relationship that is now resulting in bringing the latest in payment process technology to government-related businesses and operations.

During the thriving oil and gas economy period, Arriola ended up at a conference table with Mains. Both of their operations are classified as service-disabled veteran-owned small businesses.

Arriola said he was impressed with Mains' military background and his work with the Department of Veterans Affairs and Department of Defense and so he wanted to work with him on consulting.

Then came a collapse of oil prices in 2015, which upended much of Arriola's business focus and he started looking for the next big thing.

"I came across the idea of a virtual card and realized this would be the technology of the future," Arriola said. "When I heard about it, I immediately called Steve ... His company was ideally suited with its background and reputation; top secret clearances; federal experience, notably with HUD; and advanced technology capability. Plus, Steve has a Ph.D. in what I jokingly call 'computer stuff.' "

Around the same time, the federal spending cuts known as sequestration negatively affected TechMIS. Current events, like their accidental meeting, found Arriola and Mains thinking out of the box.

Arriola made the decision to pivot to a financial technology operation with a focus on cutting-edge payment services and being a virtual card provider. Mains pushed his firm's capabilities across government, establishing a reputation among various departments and agencies for its big data analysis, cybersecurity and developing its own data search and analysis tools.

The Williamsburg operation working with Haploos became a natural next step. TechMIS, with its code writing, search algorithm creation and hacking deterrence, provided the technological backbone for Haploos' virtual card services, including a login portal to request and track payments and enabling federal, state and local government clients to make quick and secure purchases.

TechMIS' experience with various government software programs enabled seamless integration with clients' internal software and procedures.

Crafted after the Mastercard system, Mains explained, "It allows payments to be issued instantly on behalf of the government agency that the vendor can cash immediately using their Mastercard terminal. And it provides more detailed invoice information than automated clearing house transactions, so both vendors and the government can quickly reconcile payments."

Because TechMIS developed its own proprietary software, it can effectively detect fraud, safeguarding government funds, Mains said. Being backed by the Mastercard network, the virtual card can also recover fraudulent payments.

Additionally, it provides cash-back rewards that can be used by federal, local and state governments to increase program reach or growth, without regard to the original appropriation.

“Until now,” Mains said, “governments receiving federal funds had to remit all refunds and interest gained on those funds back to the U.S. Treasury.”

This past May, Arriola added, the U.S. Treasury, Government Accountability Office and Department of Housing and Urban Development signed off on the virtual card, allowing any captured rebate funds to be considered “unrestricted funds” for mission enhancement.

Both CEOs see growth in virtual card activity, especially in the commercial world.

“We see this as a huge opportunity,” Mains said. “We’re in Washington state now but have reached out to the housing authorities in the Pacific Northwest and Hawaii. We need to roll out carefully and expand region by region across the country.”