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Average weekly wage  
in Nassau County in  
2014's 2Q, up 1.6%  
from a year earlier

Source: U.S. Bureau  
of Labor Statistics

**U.S. CONSUMERS  
LESS CONFIDENT**

Harsh winter weather left U.S. consumers feeling a bit less confident last month, the University of Michigan says. But confidence levels still remain at the highest level in eight years.

The University of Michigan says its index of consumer sentiment slid to 95.4 in February from an 11-year high of 98.1 in January.

"It is hard not to attribute the small February decline to the temporary impact of the harsh weather," said Richard Curtin, chief economist of the surveys. Consumer confidence sank dramatically in the hard-hit Northeast and Midwest and rose in the South.

Overall, consumers' assessment of current economic activity and their expectations for the future both fell.

A big drop in gasoline prices — which left money in consumers' pockets and contributed to their improving outlook — has reversed in recent weeks: Gasoline prices have risen to an average \$2.37 a gallon nationwide from \$2.04 a gallon a month ago, according to AAA.

"Consumers remain sensitive to any hint of decreased spending power," Terry Sheehan, senior analyst at Stone McCarthy Research Associates, noted in a report, "and the rise in gasoline prices starting in February after seven months of declines was unwelcome." Still, it noted confidence "levels remain among the strongest since before the financial crisis and recession." — AP

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Robert Leiponis leads Parabit Systems in Roosevelt, a maker of ATM-related security products.  
■ Video: [newsday.com/business](http://newsday.com/business)

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# SECURITY YOU CAN TAKE TO THE BANK

**AT A GLANCE**

**Name**  
Parabit Systems Inc.,  
Roosevelt

**Founded**  
August 1995

**Founder**  
Robert Leiponis

**Employees**  
62

**2014 revenue**  
\$10 million-plus

## ATM business growing, learning from experience

BY AISHA AL-MUSLIM  
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**P**arabit Systems Inc. counts 17 of the top 20 U.S. banks as customers. That didn't happen overnight for the small Roosevelt-based company, which designs and manufactures ATM-related products.

Founded in 1995, the privately held company provides ATM lobby card access systems and readers to detect ille-

gal skimming of personal information, as well as digital welcome centers and telephone charging stations. Parabit's revenue last year hit more than \$10 million, keeping on track with its average growth rate of 20 percent a year.

But setbacks come with the territory. For companies like Parabit that develop and market new tech products, not all projects succeed — and failures can be costly. Companies can spend months and even years creating new products, without any guarantee of a return on investment, experts say.

**Trial-and-error growth**

Today, Parabit's biggest clients are JPMorgan Chase, Bank

of America, First National Bank of Long Island and the Port Authority of New York and New Jersey, Parabit's founder and president Robert Leiponis said.

Multiple factors are driving the company's growth. "Unfortunately, the world's not becoming a safer place," Leiponis said. Plus, major corporations are always looking to see how they can use technology to handle basic tasks, so they can "relocate their staff to do more complex functions," he said.

Parabit started out providing ATM security systems, which allow bank customers to enter ATM lobbies by swiping their cards through a reader. Over the years, the company developed other successful niche security products such as skimming detectors and visitor management kiosks that control access in high-traffic areas and unsupervised lobbies.

While many products have succeeded, one of Parabit's costly failures occurred in 2012, when it invested six months and \$75,000 to create a "quick depository," where bank customers could deposit checks or cash and get a receipt. Leiponis said the prod-

**See PARABIT on A28**



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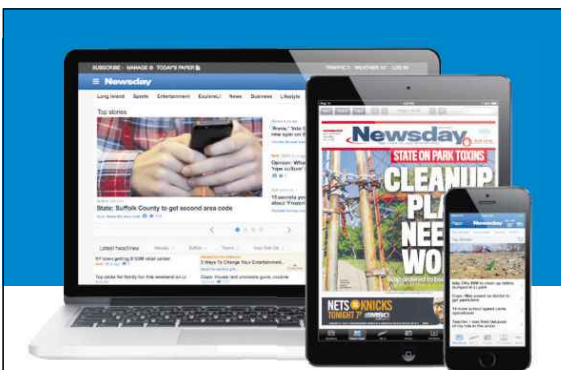
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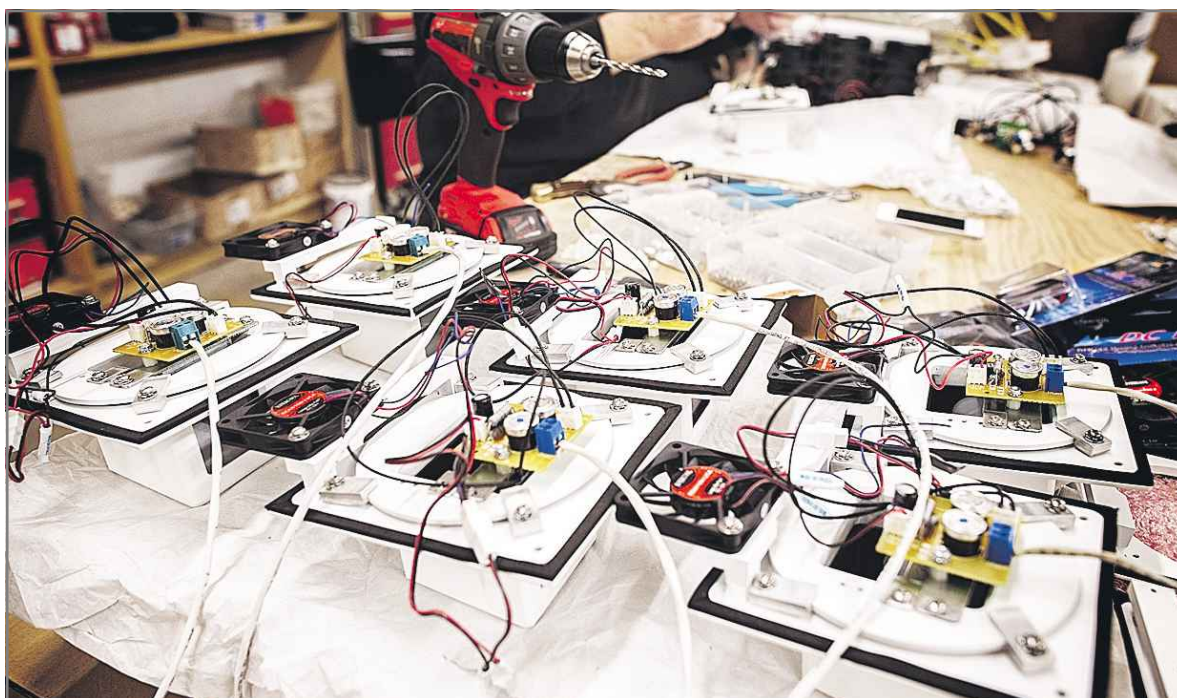


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## LI BUSINESS



JOHNNY MILANO

Parabit Systems in Roosevelt serves major banks with such products as security and anti-skimmer solutions for ATMs. The company is growing, in part, the president says, because "the world's not becoming a safer place."

## SECURITY PRODUCTS TARGET SKIMMING

### PARABIT from A27

uct didn't take off because it was overtaken by other new technology: ATMs started to be built with cash receptors and check scanners.

"It's a lot of investment," he said. "It's a lot of risk and reward."

When investing in research and development, "companies need to understand the market, the competition and the customers' needs," said Steve Winick, managing director at Topspin Partners, a private equity and venture capital firm in Roslyn Heights. "You have to be comparing your product with your competition's product from a year from now. You have to see what your competition is going to do next."

Businesses also need to make sure they have a reserve to cover pitfalls that may result because of some failed projects, said Ree S. Wackett, a senior business adviser at the Small Business Development Center at Stony Brook University.

"We always recommend having a cushion to avoid any potential cash-flow traps," Wackett said. "They have to have a reserve of at least from six months to a year."

### Humble beginnings

Leiponis began Parabit with just two employees in a 1,000-square-foot warehouse space in College Point, Queens. The company moved to larger offices in New Hyde Park and Glenwood Landing before ending up in a 25,000-square-foot space

in Roosevelt in 2006 with the help of tax incentives. Since then, the company has grown from 17 employees to a workforce of 62.

As an Empire Zone-certified business since 2007, Parabit has received \$161,385 in state benefits through tax year 2013 in return for job creation and will continue to receive tax credits through 2016, according to an Empire State Development spokesman. Parabit also received tax breaks from the Hempstead Industrial Development Agency in 2006, including a sales tax exemption, a mortgage recording tax exemption, and a property tax abatement over a 10-year period, IDA officials said.

To get Parabit off the ground, Leiponis used his 10-year-plus experience in running an ATM service company and working as a computer consultant. His goal was to design and manufacture his own products so he could control prices, he said.

"I started the business on cash and credit cards," Leiponis said. "It's a lot of sweat. It's a lot of determination, a lot of patience, without any expectations."

### New products and expansion

Parabit's latest technology is the SkimGard Card reader, which provides skimming detection at readers used to grant access to ATM lobbies. Skimming, which can be done at the ATM itself or at the lobby door, occurs when hidden electronic devices are secretly placed over or within ex-

isting card readers to record PIN numbers and steal personal information stored on debit and credit cards. Parabit spent three years and \$750,000 to design the reader, its only patented product.

Previously, the Port Authority hired Parabit to design, build and maintain welcome centers, featuring kiosks for ground transportation, ATMs and customer-care representative booths, for arrival areas at Kennedy, LaGuardia and Newark airports, Port Authority spokesman Ron Marsico said. The \$12 million contract was recently extended for another \$3 million over five years.

Parabit has also provided the agency with three "virtual customer-care representatives" — hologramlike avatars that look human and dispense airport information.

### Moving to new HQ building

As the company expanded, it turned again to the Hempstead IDA for financial aid. Parabit purchased a 6,400-square-foot building on Grand Avenue in Bellmore in September 2014 for \$925,000 to convert into its corporate headquarters, with the intent to move in during August. It will maintain its manufacturing operation at the Roosevelt location.

Parabit's next step is to penetrate the European and Middle East markets with its SkimGard product and other devices, Leiponis said. "We're going to see a significant amount of growth in this coming next couple of years."