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CASE STUDY · MARLUC SYNOPSIS

Joonko founder fraud charges

IMPLEMENTED 2021–2024 · PROFESSIONAL SERVICES · US · BAND F · PROVED

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A start-up that said it used AI to help companies hire a more diverse workforce went into bankruptcy; its founder was charged over false customer and revenue claims and has since pleaded guilty to securities fraud.

ABOUT THIS SYNOPSIS

This is MarLuc's summary and grading of publicly available sources, for information only. It is not investment, legal, financial or professional advice, and should not be relied on for any decision. Readers must validate it against the original sources and, where appropriate, challenge its conclusions.

Facts and figures are as reported by the sources listed below, which may be incomplete, self-reported or out of date. Check the original source before relying on any figure.

The impact band, proof marker and SEAM view are MarLuc's opinion. The organisation is not a MarLuc client and has not reviewed or endorsed this synopsis. Names and trademarks belong to their owners.

NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: Fraud.

AI-native company: built around AI from the start to bring about transformational change. It has folded, so the case is graded F.

AI and automation used: AI matching of job candidates for hiring teams, as the company described it; how it worked is not reported.

Implemented: 2021–2024. Grade: band F, Failure, Proved.

Headline result, as reported: Founder charged by the SEC and federal prosecutors in June 2024; guilty plea to securities fraud reported in September 2026; Joonko filed for bankruptcy in May 2024

1 · The case

The facts, as reported by the 4 sources listed at the end. Where a source is silent, the field says "Not reported".

Organisation

Joonko. Start-up that described itself as using AI to help companies find and hire candidates from more diverse backgrounds. Its founder and chief executive, Ilit Raz, is the defendant in the SEC and criminal cases. Joonko is now shut down, per the SEC. Canvas block: 8. Governance and risk. Also 3. Customers and proposition.

Business challenge

The challenge. Not reported. By Bloomberg Law's description, Joonko "purported to use AI to help companies find and hire candidates that reflect a more diverse employee base".

How it was addressed. Joonko raised money from investors in 2021 and 2022. The SEC alleges the founder misrepresented the company's customers, including claims of over 100 clients and Fortune 500 companies backed by fabricated testimonials, revenue of more than $1 million and more than 100,000 active job candidates. It also alleges falsified bank statements and forged contracts were given to a suspicious investor. [1] [2] [3] [4]

Who implemented it

Not reported.

Technology (SEAM pillar E)

SEAM types: not established; the sources do not say how the system works. Deployment: Not reported. Vendors and products: Not reported.

Where it was built in: Not reported.

What changed

Before: investors were told Joonko had large customers and substantial revenue. After: Joonko filed for bankruptcy in May 2024, the SEC and federal prosecutors charged the founder in June 2024, and in September 2026 reports say she pleaded guilty to securities fraud. The SEC's allegations are allegations until decided by a court. [1] [2] [3] [4]

Cost of failure

About $27 million raised from investors in two rounds, per prosecutors as reprinted; the SEC alleges at least $21 million was obtained by fraud. Amounts lost, restitution and penalties: Not reported.

What it saved

Not reported [1] [2] [3] [4]

Governance and control

The SEC alleges an investor became suspicious in mid-2023 and confronted the founder. Board oversight and internal controls: Not reported.

S2 · Accountable owner · Not reported
Not reported.

A1 · Safe use · Not reported
Not reported.

A2 · Human in the loop · Not reported
Not reported.

A3 · Monitoring and assurance · Not reported
Not reported. The SEC alleges that an investor's suspicion in mid-2023 led to the founder admitting forged documents. [1]

A4 · Vendor AI · Not reported
Not reported.

A5 · Agent controls · Not reported
No agents described.

A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)
The SEC filed a civil complaint and the SDNY US Attorney's Office filed criminal charges; the founder is reported to have pleaded guilty to securities fraud. [1] [3]

What worked, what did not, what is unproven

WORKED

– Not reported

DID NOT

– The SEC alleges the founder fabricated customer testimonials, forged contracts and falsified bank statements.

– Joonko filed for bankruptcy in May 2024 and has shut down.

– Prosecutors say the founder misled investors about the identity and quantity of customers and about revenue; she has pleaded guilty to securities fraud.

UNPROVEN

– Whether Joonko's AI matching worked as described: no source opened tests it.

– The outcome of the SEC civil case and the criminal sentence: Not reported.

Timeline

Jun 2021 Joonko closes a Series A round of about $10 million, per the US Attorney's release as reprinted by Financial Channel [3]

Jun 2022 Joonko closes a Series B round of about $17 million, per the same release [3]

2023 An investor confronts the founder in mid-2023, after which, the SEC alleges, she admitted forging documents and lying about revenue and customers [1]

May 2024 Joonko files for bankruptcy in a Delaware federal bankruptcy court [2]

Jun 2024 SEC files a civil complaint and the US Attorney's Office for the Southern District of New York announces criminal charges against the founder [1]

Sept 2026 Founder pleads guilty to securities fraud, per reports dated 12 to 14 September 2026 [3]

2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

Level of change and impact

Claimed: Not applicable. Grade: F, Failure. Proof: Proved. Level of change: Not graded.

No level assessed: band F. The case concerns allegedly false claims by an AI company, not a measured AI deployment.

Graded F as an AI-native company that failed and whose founder has pleaded guilty to securities fraud. The fraud findings concern customers, revenue and candidate numbers, not how well the AI worked. The SEC's civil case was reported as ongoing in September 2026. Joonko's AI claims were not independently tested in any source opened.

The SEAM view and lessons learnt

For buyers and investors, an AI label tells little on its own. The case turned on ordinary checks: whether named customers exist, whether revenue reaches the bank, and whether supporting documents match the source. Those checks apply to AI vendors as to any supplier.

1. Verify a vendor's named customers and revenue with the customers and the bank.
2. Ask AI suppliers for evidence of what the product does, apart from sales claims.
3. Check supporting documents against the original source.

Evidence

Score 3 of 4. Independent: SEC complaint and a parallel criminal case; the guilty plea is reported through a reprint of the US Attorney's Office release and trade press.

Evaluation method. Regulator and court proceedings: SEC v. Raz, No. 24-civ-4466 (SDNY), and a parallel criminal case; guilty plea reported September 2026.

Sources disagree. The SEC alleges at least $21 million was obtained through misrepresentations; Bloomberg Law and the prosecutors' release as reprinted give about $27 million raised from investors.

Status. Ongoing: guilty plea to securities fraud reported in September 2026, sentencing: Not reported; the SEC's civil case sought an injunction, penalties, disgorgement and an officer-and-director bar, with no outcome reported by Investment Executive on 14 September 2026.

3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/joonko-founder-fraud-charges

[1] SEC: Litigation Release No. 26020, SEC v. Ilit Raz
https://www.sec.gov/litigation/litreleases/lr-26020

[2] Bloomberg Law: AI Hiring Startup Founder Charged With Criminal Securities Fraud
https://news.bloomberglaw.com/securities-law/ai-hiring-startup-founder-charged-with-criminal-securities-fraud

[3] Financial Channel: Founder and former CEO of artificial intelligence company pleads guilty to securities fraud (reprint of US Attorney's Office release)
https://finchannel.com/founder-and-former-ceo-of-artificial-intelligence-company-pleads-guilty-to-securities-fraud/135011/americas/america/2026/09/

[4] Investment Executive: AI founder admits securities fraud
https://www.investmentexecutive.com/news/regulation/ai-founder-admits-securities-fraud/

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VERSION HISTORY

v1.1 15 November 2026 Method update: standards and regulation (A6) relabelled "outside scrutiny" because the evidence is a regulator, court, auditor or similar body acting, not the organisation's own compliance. technology type set to "not established" where the sources do not say how the system worked.
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