

Payroll Startup Deel Accused of Enabling Money Laundering



This story was updated to include statements from Deel.

Human resources payroll startup Deel has been accused of enabling money laundering and sanctions evasion, according to a complaint brought in federal court in Miami. The San Francisco-based startup was founded in 2019 by Alex Bouaziz and Shuo Wang on the promise of simplifying paycheck processing, tax reporting, and other financial paperwork for HR departments in companies that have employees around the globe.

According to a Racketeer Influenced and Corrupt Organizations Act (RICO) class action complaint, Deel violated federal anti-money laundering (AML) and know your customer laws (KYC) laws. AML and KYC rules require financial institutions and other companies to put guardrails in place to ensure they're not doing business with sanctioned entities, such as Russia, or enabling criminal acts. Deel has denied any wrongdoing.

In particular, the startup is accused of partnering with a Russian bank to transmit money to Russia, in violation of U.S. sanctions. Deel's platform is also accused of facilitating transfers by a person named Brent Seaman and his company Surge Capital Ventures. Seaman was slapped with a [Securities and Exchange Commission enforcement action](#) in 2024, after the agency determined he ran a Ponzi scheme to defraud elderly victims who were members of a Naples, Florida, church.

The Man Behind the Wheel of Driverless Trucks

Although Deel has not been accused of any wrongdoing by the SEC, the civil complaint was brought in federal court in Miami by Melanie Damian, a court-appointed receiver recovering damages from the SEC's case against Seaman. A Deel spokesperson told Inc. that Deel once processed a payment to a Surge employee, but Deel ended its relationship with Surge in 2023 and was not involved with Surge's illegal investment activities.

The complaint, [first reported by The Information](#), is a major shakeup for Deel, which had seemed to be on an upward trajectory. In December, the company announced the acquisition of compensation platform Assemble, and it had plenty of money to fuel further growth: As of the end of 2024, Deel had raised more than \$280 million and had a valuation of over \$12 billion, [according to PitchBook](#). It was incubated at Y Combinator. Alexis Ohanian was an angel investor and Andreessen Horowitz invested in several funding rounds. Inc. named the company a Power Partner in 2024, and honored co-founder Shou Wang on the [Female Founders list](#) in 2023.

Deel says it is fully compliant with the law. The company provided the following statement: "We operate in the U.S. through licensed and regulated partners and leading industry payment service providers, adhering to both state and federal laws—a standard and compliant industry practice. As we continue expanding our products and services for our customers, we obtained a number of new business licenses across the United States throughout 2024. Twenty-six states have approved money transmitter

licenses after stringently reviewing directors, officers, operations, and business practices."